



The Montrose Group, LLC

TRANSFORMING YOUR WORLD

TIPP CITY, OHIO ECONOMIC DEVELOPMENT STRATEGIC PLAN

THE MONTROSE GROUP, LLC

MAY 2020

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Introduction. The Montrose Group, LLC provides corporate site location, economic development planning, project financing and lobbying services for public and private sector clients throughout the United States. The Montrose Group’s Tipp City Strategic Economic Development Plan the Montrose Group utilized a Learn, Listen and Do approach for Tipp City’s Economic Development Strategic Plan.



Learn. Montrose conducted research to start the project to gain a situational and market analysis of Tipp City. The “Learn” phase of Montrose’s Tipp City economic development strategic plan involved a detailed analysis of the operations and programs of Tipp City to gather data on how economic development is conducted in the City and region. In addition, the “Learn” Phase defined “who” Tipp City is from an economic, demographic, industry, and workforce standpoint.

Listen. Following the “Learn” or research phase of the Montrose’s economic development planning approach, Montrose implemented the “Listen” phase of the project. The goal of the “Listen” phase is to: engage community and business leadership and other key constituencies in the planning process to build and retain their buy-in for execution of the strategies; ensure Tipp City’s efforts are focused on areas it has the ability to impact; ensure Tipp City’s efforts are prioritized so that its limited time and resources yield the highest results; ensure goals are ambitious enough to elicit excitement, and, at the same time are achievable; and develop a shared regional vision for: the region’s potential to improve business-driven economic growth, basic goals, objectives and strategies derived through the planning process, define the most efficient way to prioritize strategic and operational roles for Tipp City, identify realistic strategies, tactics, and milestones related to the roles and mission of Tipp City, develop recommendations concerning roles of external partners in addressing economic development-related and broader regional strategies including ownership and operational execution, and identify existing and necessary resources to implement the plan.

Do. Following the “Learn” and “Listen” phase of Montrose’s economic development strategic planning projects, the Montrose team researched and drafted specific action steps or “Do” steps. “Do” steps in the Montrose economic development strategic planning report include the creation of a specific Prosperity Action Plan that outlines specific goals, objectives, strategies and tactics that Tipp City should follow to achieve additional economic prosperity outlined in short term, near term and long term goals tied to specific funding sources. Typical “Do” action steps focus on the creation of industry targets, workforce development strategies, site development strategies, economic development organizational models and business retention and expansion programs.

EXECUTIVE SUMMARY

Tipp City’s population is 9,857 as of the 2017 US Census Bureau American Community Survey. This is a 1.7% increase from the 2010 population of 9,689. Tipp City has a 63.2% civilian labor participation rate which matches the state and national rates; has a median household income of \$68,179 which is above the state average of \$52,407 and above the national average at \$57,652; and, a per capita income of \$33,425 which is above the state average at \$29,011 and above the national average at \$31,177.¹

Tipp City, with its location along I-75 and its proliferation of manufacturing companies and distribution/warehouse facilities has a workforce that is heavily concentrated in Transportation, Production, Architectural and Engineering leading the way from a location quotient perspective. This perspective shows that Tipp City has a higher concentration of workers in these sectors than the rest of the country. Tipp City should focus on keeping and attracting jobs in the industries in which it has a historic strength such as machinery manufacturing, automotive manufacturing, chemical manufacturing, and freight transportation, but it should also look to the industries and the occupations of the future such as software development, logistics and fulfillment centers, medical device manufacturers, and pharmaceutical companies to determine those that it can attract to



provide high-wage jobs to the people that live in Tipp City. The jobs projected to grow in the future is a mix between those that require a high school degree and those that require a bachelor's degree. The attraction of high-wage jobs to Tipp City ensures that the population and the median family income and local tax base will continue to rise for the foreseeable future.

The economic development program in Tipp City has experienced success with projects from Repacorp, Abbott Nutrition, Meijer Distribution, Captor Corporation, Creative Extruded Products, Regal Beloit, DAP Products, SK Mold and Tool, Precision Strip, Trophy Nut, and Odawara Automation. Within the last year the City elevated its Planning Director to Community Development/Revitalization Director to be charged with the economic development program. Economic development activities are led by the Community Development/Revitalization Director with support from its City Manager, Finance Director, and City Planner.

Over the past several years the economic development team has accomplished some great things to move the City in a positive direction:

- Advertising on digital billboards for downtown events, shopping, and dining.
- Creating a positive image for the city by proactively reviewing current regulations and suggesting changes to assist developers in reducing development costs.
- Eliminating Intervening User Agreements (IUA) that were over twenty (20) years old and no longer useful to the City in its economic development efforts.
- Conducting annual business retention and expansion and retention (BR&E) by following the Business First model. These BR&E visits include the Tipp City Chamber and Dayton Development Coalition.
- Offering incentives for commercial development.
- Extending roadways to facilitate better ingress and egress.

The Tipp City Prosperity Action Plan focuses on how Tipp City implements their economic development strategy, retention and attraction of a new generation of workers and a diverse industry base to continue the economic success of the city through the adoption of a goal, numeric based outcomes, broad strategies and specific tactics.

Tipp City Prosperity Plan Goal

Make Tipp City, Ohio the national model for suburban economic development.

Tipp City Prosperity Plan Outcomes

- Increase Tipp City's population by 5% in 10 years.
- Diversify the Tipp City industry base to double the number of white-collar workers in 10 years.
- Retain the existing base of manufacturing workers in 10 years.

Tipp City Prosperity Plan Strategies

- Develop a centralized local economic development model.
- Develop a diversified talent pool prepared for the future of work.
- Retain the current industrial base and attract new companies in advanced manufacturing, logistics, technology and retail sectors.

Tipp City Prosperity Action Plan Tactics

1. Partner with the Tipp City CIC to prepare industrial and commercial sites for development.
2. Continue to implement the Business Retention & Expansion program using the Business First model to retain and grow existing companies.
3. Implement an economic development communications and marketing strategy to attract new companies to Tipp City in targeted industries.
4. Conduct a retail attraction and marketing campaign to bring new retail merchants to Tipp City on the SR571/Main St corridor and the I-75 interchange.
5. Develop skilled workers through local workforce connections and development programs by creating TippWorks to connect high school graduates with local occupational opportunities.
6. Redevelop Tipp City's historic Downtown as a tool to attract younger workers to live, work and play through Historic Preservation Tax Credits, Downtown Redevelopment Districts, and state grants and loans.



TIPP CITY LEARN DISCUSSION

The Montrose Group’s economic development plans begin with a “Learn Discussion” that dives into research about who the community is from an economic, demographic, workforce and industry standpoint, defines how Tipp City approaches economic development and provides a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis for the community’s economic development efforts.

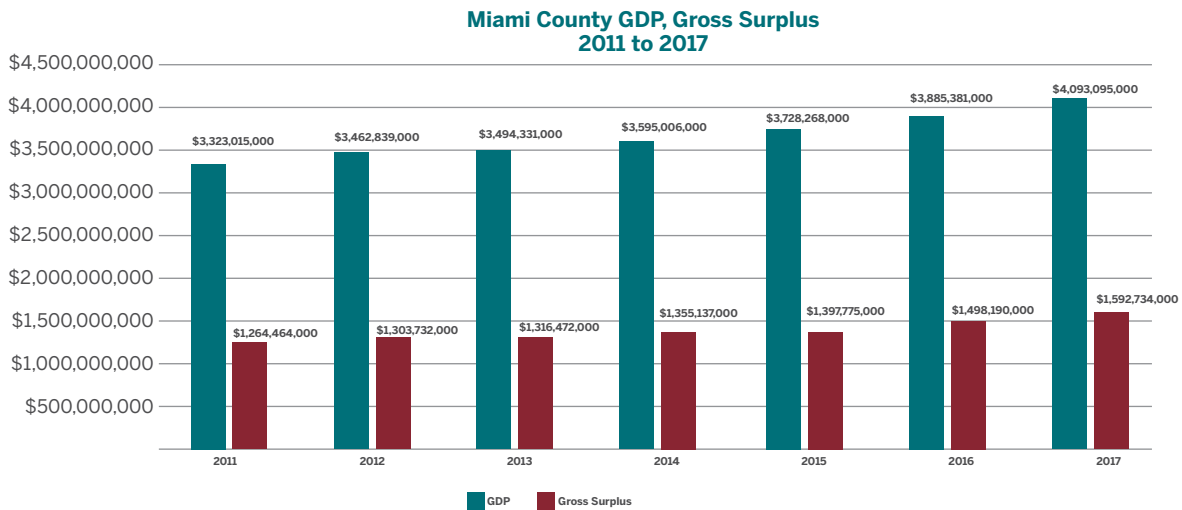
Macroeconomic Analysis.

Tipp City, Ohio operates in a successful regional economy in Western Ohio. Tipp City’s economy is part of the Dayton Metropolitan Statistical Area (MSA) which impacts the economic conditions of Tipp City through the location of employers in which Tipp City residents work whether they are located in Tipp City or not. Some key data points about the Dayton MSA impacting the operation of the Tipp City economy:

- GDP totaled \$41,111,000,000 in September of 2019;²
- GDP grew by only .6% from 2016 to 2017;³
- Unemployment rate was 4.9% in March of 2020; and⁴
- Per capita income was \$45,708 in November of 2018.⁵

Key data points on Miami County, where Tipp City is located, that have an impact on the overall help of the City and its potential for economic growth:

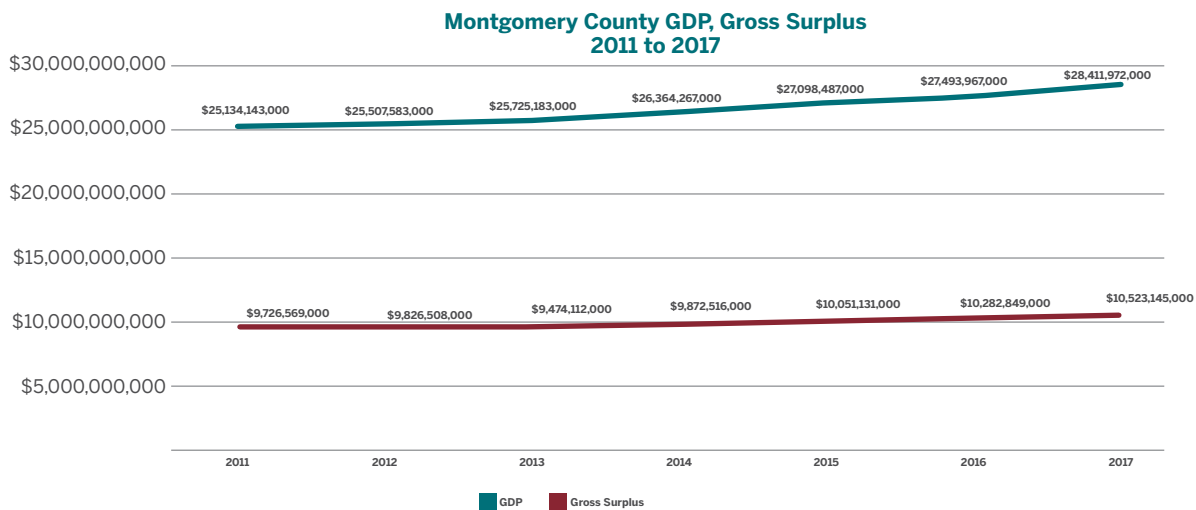
- Gross Domestic product of \$4,093,095,000;
- Gross surplus of \$1,592,734,000 after compensation and taxes;
- A 23.2% increase in GDP from 2011 to 2017; and
- A 20.8% increase in gross surplus from 2011 to 2017.



Key data points on Montgomery County, which is just south of Tipp City, that have an impact on the overall help of the City and its potential for economic growth:

- Gross Domestic product of \$28,411,972,000
- Gross surplus of \$10,523,145,000 after compensation and taxes
- A 13% increase in GDP from 2011 to 2017
- An 8.2% increase in gross surplus from 2011 to 2017





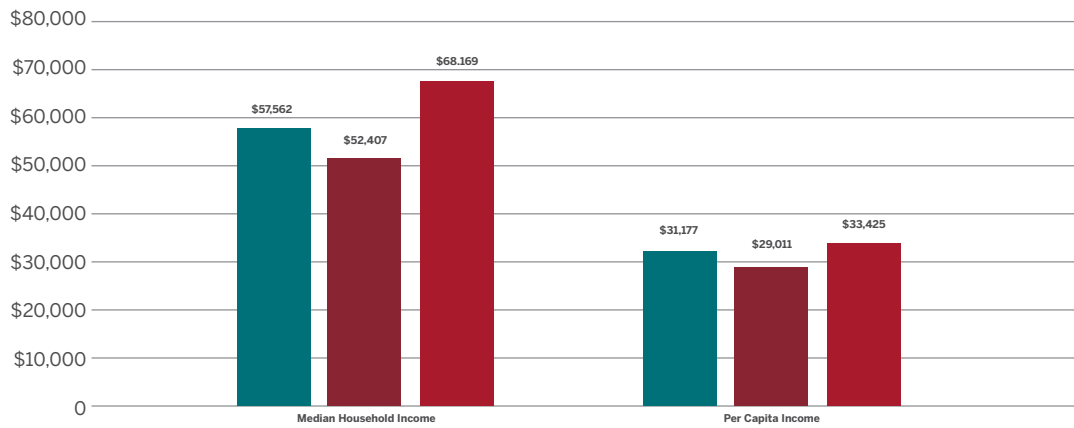
Demographic Analysis.

Reviewing demographic data is a strong starting point for measuring economic health. Communities with an increasing population base and a group of younger workers illustrate growing communities. Homeownership rates and home value illustrate stability in a community but also whether it is affordable to buy a home in a community. The percentage of citizens over 25 with a college degree illustrates the likelihood the region can attract high-wage financial services, insurance, health care, high-tech, professional services and other advanced services white collar jobs. Finally, measures of income and poverty rates illustrate the overall economic strength of the community. Population growth is a critical factor for the economic vitality of a community. Growing communities add population and provide a larger workforce pool that is attractive to employers seeking job creation and making capital investments.

Tipp City's population is 9,857 as of the 2017 US Census Bureau American Community Survey. This is a 1.7% increase from the 2010 population of 9,689. In comparison Vandalia is a community directly to the south of Tipp City with a population of 15,466 in 2017 that has grown by 3.18% since 2010. Tipp City has a 63.2% civilian labor participation rate which matches the state and national rates; has a median household income of \$68,179 which is above the state average of \$52,407 and above the national average at \$57,652; and, a per capita income of \$33,425 which is above the state average at \$29,011 and above the national average at \$31,177.⁶ The City of Vandalia has a labor force participation rate of 65.8%, a median household income of \$58,000 and a per capita income of \$31,528.



Tipp City Income Comparison



Reviewing how Tipp City compares to like communities in Ohio from a demographic standpoint provides a critical snapshot for the community. As the table below illustrates, Tipp City compares well from a Demographic standpoint with like Ohio communities. Unlike other rural communities, Tipp City is actually growing in population, has a competitive homeownership rate, high-median home value, bachelor's degree rate, median household income and very low poverty rate. Driven in large part by a highly educated population, Tipp City has very strong demographics that will continue to drive successful economic development.

Fact	Vermilion	Cambridge	Ironton	Shelby	Wapakoneta	Tipp City
Population	10,437	10,360	10,635	9,030	9,733	9,857
Population Growth 2010-18	-1.40%	-2.60%	-4.40%	-3.20%	-1.40%	1.7%
Homeownership Rate	74.00%	49.60%	60.20%	58.40%	67.80%	64.30%
Median Home Value	\$134,100	\$84,500	\$93,700	\$93,700	\$105,000	\$160,700
Bachelor's Degree	24.10%	13.00%	15.70%	15.60%	12.20%	17.8%
Median Household Income	\$54,730	\$30,856	\$34,307	\$42,224	\$51,260	\$68,179
Poverty Rate	13.20%	34.10%	20.70%	12.70%	12.90%	4.80%

Tipp City compares more favourably from a demographic perspective than Miami County and Montgomery County as a whole. These counties however contribute substantially to the economic success of Tipp City as they provide a large base of companies and workers upon which Tipp City benefits.

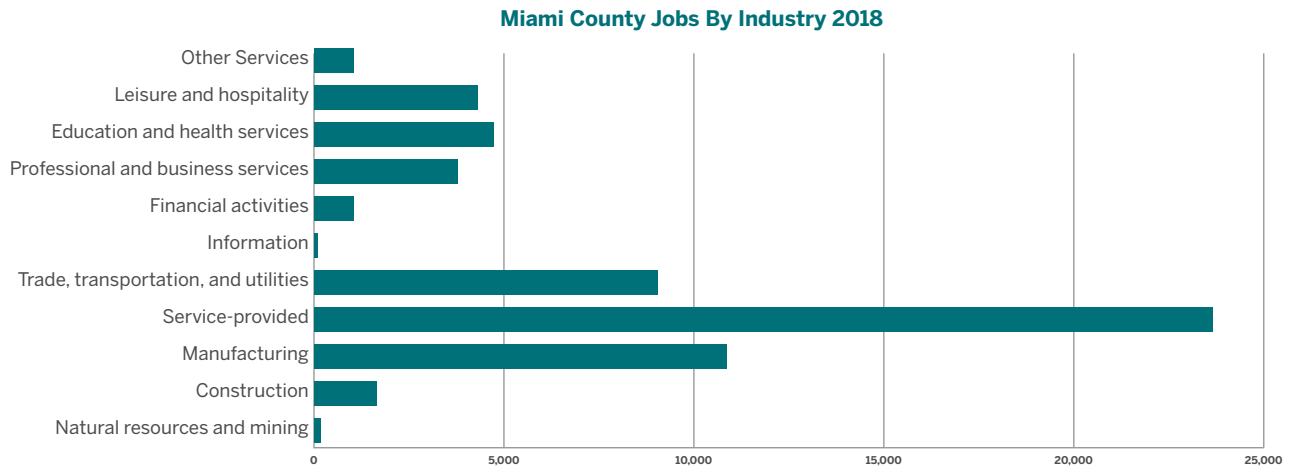
Tipp City Demographic Comparison⁷

	Miami County	Montgomery County
Population	104,081	531,987
Median Household Income	\$54,568	\$47,045
Per Capita Income	\$28,051	\$27,602
Bachelor's Degree	14.3%	17.1%
Poverty Rate	9.90%	17.9%

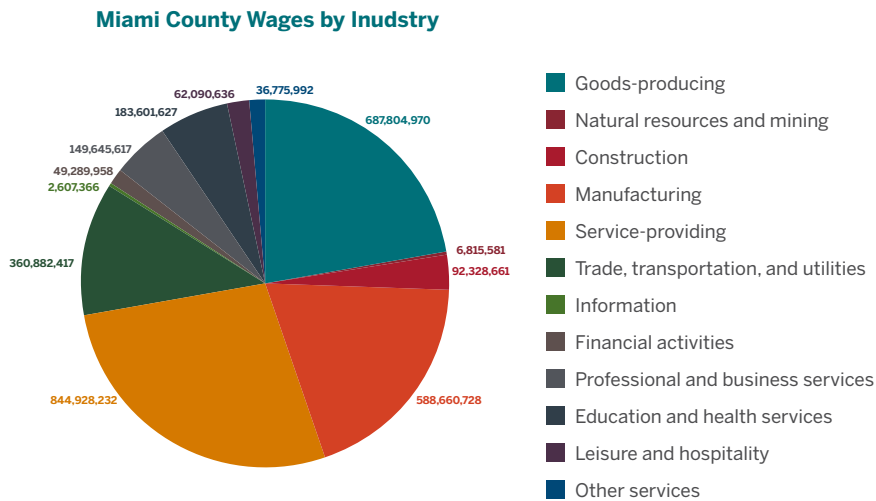
Workforce Analysis. A community's workforce is a critical measure of its economic success. The retirement of the Baby Boom generation and a lack of alignment between industry and higher education are creating widespread shortages in qualified workforce even in times of high unemployment. Regions that are successful



with the retention of a high-quality workforce start with a strategy of targeting good jobs using initial upfront training and job-matching services and create support for workers such as childcare and transportation networks plus financial incentives for companies that take such an approach.⁸ An examination of a community's workforce includes a review of its size, unemployment rate, education level, occupation and earnings levels.



As the chart above indicates, a high-level industry cluster analysis indicates Miami County, like the rest of the United States, has transitioned to a service-based economy. However, the chart also illustrates the community has a large share of manufacturing-based jobs.



The pie chart above illustrates the important economic value of these manufacturing and goods producing jobs as these industry sectors do not make up the same number of service jobs but they provide wages nearly on par or above the service industry jobs in Miami County.

Tipp City, with its location along I-75 and its proliferation of manufacturing companies and distribution/warehouse facilities has a workforce that is heavily concentrated in Transportation, Production, Architectural and Engineering leading the way from a location quotient perspective. This perspective shows that Tipp City has a higher concentration of workers in these sectors than the rest of the country.

Tipp City Occupation Data 2018

By Location Quotient

Transportation and Material Moving Occupations	53-0000	2018	1417	2.284011	217.49	560.35	857.15	\$29,300
Production Occupations	51-0000	2018	1027	1.933318	122.09	-112.59	1139.42	\$36,300
Architecture and Engineering Occupations	17-0000	2018	244	1.584242	18.33	-38.05	282.10	\$77,100
Building and Grounds Cleaning and Maintenance Occupations	37-0000	2018	463	1.406462	67.31	83.08	379.97	\$25,200
Protective Service Occupations	33-0000	2018	225	1.105322	26.20	2.46	222.98	\$39,200
Military-only occupations	55-0000	2018	59	1.069424	6.43	-25.71	84.72	
Installation, Maintenance, and Repair Occupations	49-0000	2018	377	1.05856	42.44	-50.09	427.25	\$42,400
Office and Administrative Support Occupations	43-0000	2018	1295	0.988003	161.80	-35.74	1330.96	\$32,500
Community and Social Service Occupations	21-0000	2018	146	0.956947	17.58	-28.85	174.64	\$42,100
Business and Financial Operations Occupations	13-0000	2018	414	0.866474	42.40	-72.43	486.63	\$67,400
Healthcare Support Occupations	31-0000	2018	206	0.847723	27.89	-91.89	297.99	\$28,000
Education, Training, and Library Occupations	25-0000	2018	400	0.777933	33.24	-202.69	602.36	\$45,600
Arts, Design, Entertainment, Sports, and Media Occupations	27-0000	2018	129	0.774463	16.33	-17.07	146.39	\$37,900
Construction and Extraction Occupations	47-0000	2018	312	0.73937	33.64	-49.42	361.04	\$47,000
Management Occupations	11-0000	2018	384	0.730447	35.41	-60.01	444.18	\$92,400
Life, Physical, and Social Science Occupations	19-0000	2018	54	0.728385	5.07	-12.54	66.89	\$64,300
Food Preparation and Serving Related Occupations	35-0000	2018	550	0.724171	96.02	-210.07	760.17	\$20,800
Sales and Related Occupations	41-0000	2018	635	0.706467	94.93	-209.75	844.48	\$25,600
Computer and Mathematical Occupations	15-0000	2018	185	0.699159	13.44	-70.76	255.87	\$72,300
Personal Care and Service Occupations	39-0000	2018	273	0.682839	47.65	-39.56	312.91	\$22,500
Healthcare Practitioners and Technical Occupations	29-0000	2018	267	0.526816	17.15	-369.55	636.56	\$67,700
Legal Occupations	23-0000	2018	37	0.489331	2.21	-16.20	53.25	\$68,000
Farming, Fishing, and Forestry Occupations	45-0000	2018	10	0.149873	1.89	-8.52	18.65	\$27,800

From a jobs perspective, we see much the same story, with Transportation and Production jobs in the top 3 industries of occupations in Tipp City. Office an administrative support and sales are high on the list as well likely related to the production facilities in Tipp City. The median wage of \$29,300 for Transportation is below the per capita income for Tipp City. Production at \$36,300 is above the per capita income for Tipp City.



Tipp City Occupation Data 2018

By Total Jobs

Transportation and Material Moving Occupations	53-0000	2018	1417	2.284011	217.49	560.35	857.15	\$29,300
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As the chart above shows, and as the charts below show for jobs and workers in Miami County, Tipp City is in a sweet spot to attract more production facilities and warehouse/distribution centers based on the workforce already engaged in these industries today. These workers have the experience and the skills to succeed in these areas. There is some opportunity to keep more production jobs in the area, for instance, based on the fact that more than 112 people leave Tipp City daily to work at production facilities in other communities.

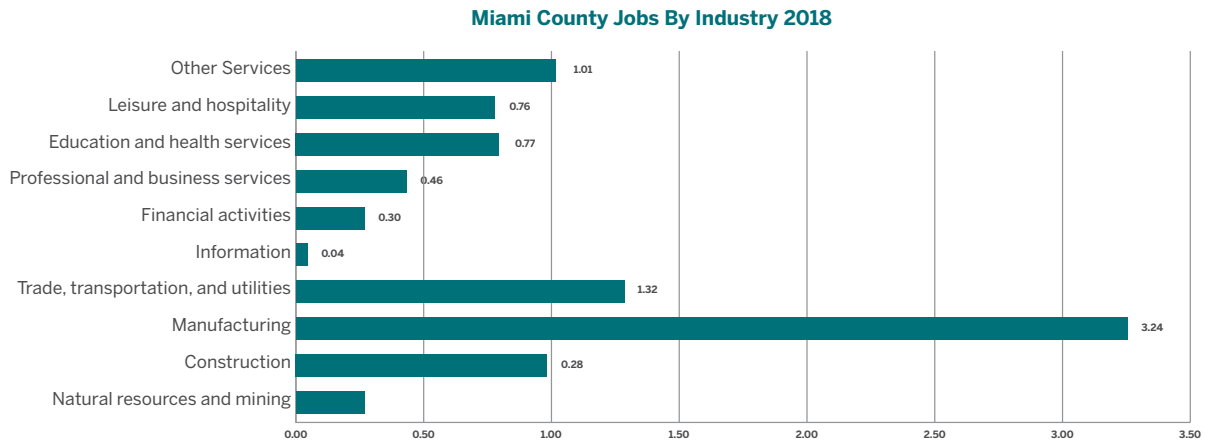
Industry Cluster Analysis.

Measuring industry concentration in an area illustrates industry strengths. This is measured by a review of the industry cluster and location quotient for the success of these clusters. An industry cluster is comprised of a geographic concentration of firms within an industry.⁹ Location quotient is an indicator of the economic concentration of a certain industry in a state, region, county or city compared to a base economy, such as a state or nation. A location quotient greater than 1 indicates a concentration of that industry in the area. A



location quotient greater than 1 typically indicates an industry that is export oriented. An industry with a location quotient of 1 with a high number of jobs present is likely a big exporter and is bringing economic value to the community feeding the retail trade and food services sectors. The location quotient is an indicator of past success but is also a harbinger of future success.

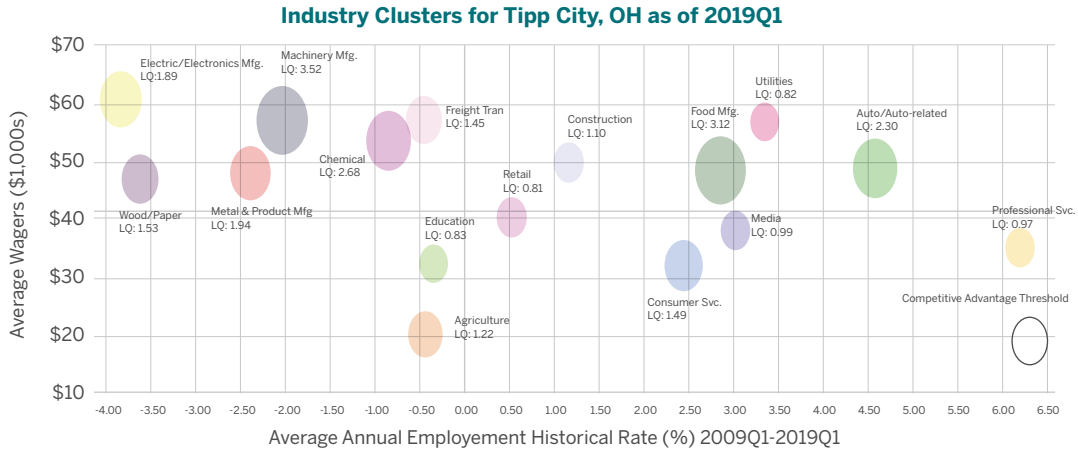
Miami County, where Tipp City is located has a heavy concentration in the manufacturing sector and the transportation sector. This is not a surprise given its location along I-75 and its connections to the automotive industry north and south of Miami County.



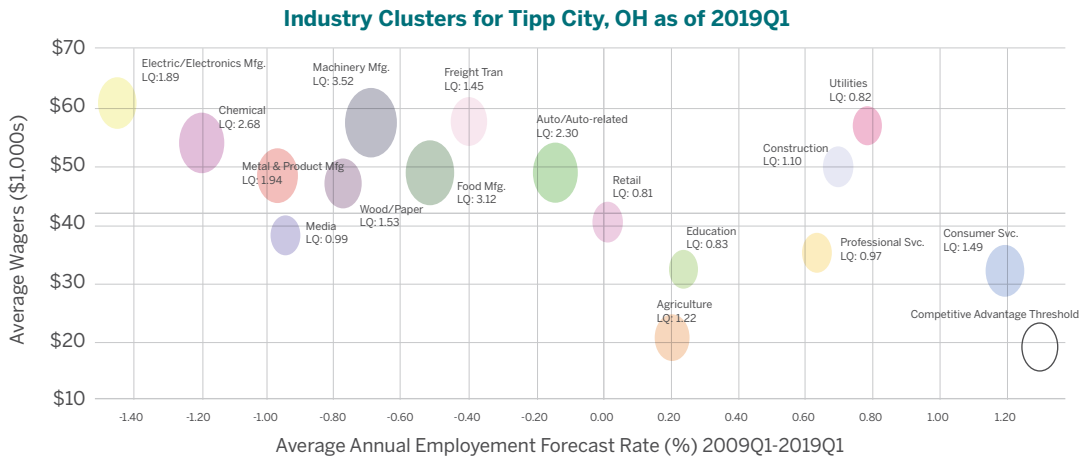
Employer	City	Industry	Estimated Employment	Shelby	Wapakoneta	Tipp City
Upper Valley Medical Center	Troy	Healthcare	1,600	9,030	9,733	9,857
Clopay Building Products	Troy	Manufacturing	935	-3.20%	-1.40%	1.7%
F&P America	Troy	Manufacturing	920	58.40%	67.80%	64.30%
UTC Aerospace Systems	Troy	Manufacturing	814	\$93,700	\$105,000	\$160,700
Meijer Distribution Center	Tipp City	Logistics	800	15.60%	12.20%	17.8%
ConAgra Foods	Troy	Manufacturing	734	\$42,224	\$51,260	\$68,179
American Honda	Troy	Logistics	631	12.70%	12.90%	4.80%
Hobart Brothers	Troy	Manufacturing	568	15.60%	12.20%	17.8%
Industry Products	Piqua	Manufacturing	440	\$42,224	\$51,260	\$68,179
ITW Food Equipment Group	Troy	Manufacturing	320	12.70%	12.90%	4.80%

Tipp City has a heavy concentration of manufacturers from a historical perspective. Machinery manufacturing has a location quotient of 3.52 and leads other industries in annual employment and average wages. This is followed by food manufacturing with a 3.12 location quotient, chemical manufacturing at 2.68, auto/auto-related manufacturing at 2.3, metal product manufacturing at 1.94, and freight transportation at 1.45.





When looking at industries that Tipp City should focus on for growth in the next decade, they are many of the same industries that are present today, machinery manufacturing, auto/auto-related manufacturing, good manufacturing, chemical manufacturing, and freight transportation. The challenge with many of these industries is that they are projected to decrease employment over the next decade, not add jobs. Thus, Tipp City needs to focus on developing more white-collar advanced services and high-tech positions while at the same time preparing their industrial workforce for the future of work that involves more robotics and automation.



Industries and occupations that are projected to add jobs across the nation over the next decade are:

National Occupation Trends	
2016-2026	
Occupation	Employment Change (thousands)
Software developers, applications	255.4
General and operations managers	205.2
Laboreres and freight, stock and material movers, hand	199.7
Accountants and auditors	139.9
Market research analysts and marketing specialists	138.3
Customer service representatives	136.3
Sales representatives, services, all other	94.9
Sales representatives, wholesale and manufacturing, except technical and scientific products	76.4
Computer systems analysts	54.4
Helpers — production workers	49.5
Software developers, systems software	47.1
Computer and information systems managers	44.2
Industrial truck and tractor operators	36.1

Source: US Bureau of Labor Statistics

Tipp City should focus on keeping and attracting jobs in the industries in which it has a historic strength such as machinery manufacturing, automotive manufacturing, chemical manufacturing, and freight transportation, but it should also look to the industries and the occupations of the future such as software development, logistics and fulfillment centers, medical device manufacturers, and pharmaceutical companies to determine those that it can attract to provide high-wage jobs to the people that live in Tipp City. The jobs projected to grow in the future is a mix between those that require a high school degree and those that require a bachelor's degree. The attraction of high-wage jobs to Tipp City ensures that the population and the median family income will continue to rise for the foreseeable future.

Tipp City Economic Development Organization.

The economic development program in Tipp City has experienced success with projects from Repacorp, Abbott Nutrition, Meijer Distribution, Captor Corporation, Creative Extruded Products, Regal Beloit, DAP Products, SK Mold and Tool, Precision Strip, Trophy Nut, and Odawara Automation. Within the last year the City elevated its Planning Director to Community Development/Revitalization Director to be charged with the economic development program. Economic development activities will be led by the Community Development/Revitalization Director with support from its City Manager, Finance Director, and City Planner.

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- Creating a positive image for the city by proactively reviewing current regulations and suggesting changes to assist developers in reducing development costs.



- Eliminating Intervening User Agreements (IUA) that were over twenty (20) years old and no longer useful to the City in its economic development efforts.
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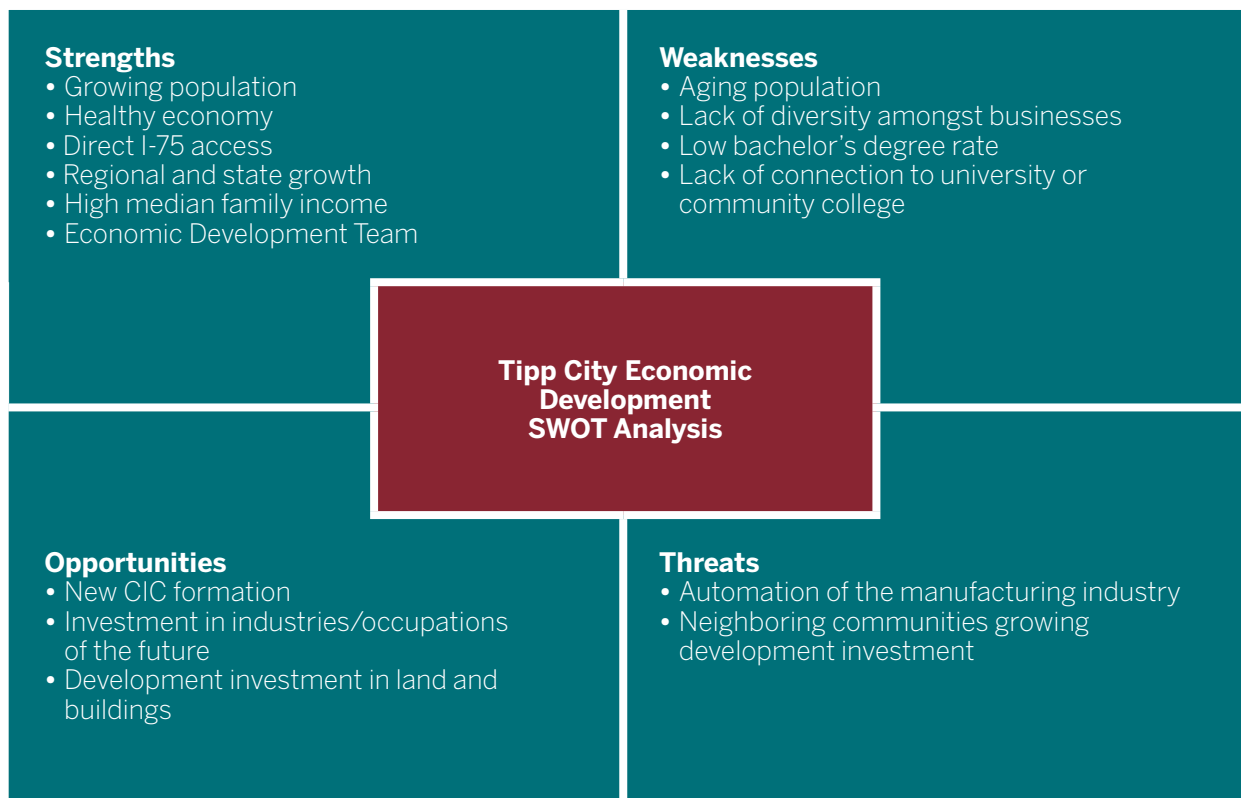
Tipp City has several economic development functions today:

- The City has established six (6) Community Reinvestment Areas (CRA) and has enacted tax abatement agreement for new investment and job creation in all of those CRAs except CRA #3.
- Maintenance of a website, <https://www.tippcityohio.gov/259/Economic-Development> with various sections listed.
 - Sites and buildings. Connected to GIS Planning but not connected to the Dayton Development Coalition or JobsOhio site database
 - Incentives. Identifies the CRAs and Enterprise Zones in the City to accommodate and encourage economic growth through the use of property tax abatement. The process for applying for these incentives is not listed however a listing of eligible businesses and program benefits is readily available. A PDF to the economic development policies of the City is available. It is a lengthy document without a fillable function on the application at the end of the document.
 - Utilities available. Electric, water and sewer are listed. One of the primary benefits of locating in the City of Tipp City is the availability of municipal electric. This is mentioned on the website but the benefits are not readily accessible to the user.
 - Labor pool is listed and there is a narrative about labor pool, but there is not more detailed information about the labor pool, the specific skills set of the labor pool, educational levels, or availability of labor.
 - Economic development websites today need to be user friendly and easy to access from mobile devices and computers. Site selection consultants and companies access community websites to obtain information about the community to determine if they will locate or expand there. Websites that require too many clicks to access information or those that do not contain detailed information are not effective.
- Community Improvement Corporation (CIC). A new CIC has been formed to undertake more development projects and allow the City to engage in preparing sites and buildings for development. The new CIC includes the City Manager, Finance Director, Community Development/Revitalization Director, two (2) members of City Council, and four (4) others with development experience. The Law Director will provide legal guidance.

SWOT Analysis.

A SWOT Analysis is a useful framework for analyzing your organization's strengths, weaknesses, opportunities, and threats. It helps you to build on what you do well, to address what you are lacking, to minimize risks, and to take the greatest possible advantage of chances for success. The chart below illustrates the SWOT analysis for the Tipp City economic development program based upon the research into the market's economic, demographic, workforce and industry information and how the region approaches economic development.





TIPP CITY LISTENING DISCUSSION

The goal of the “Listen” stage is to: engage community business leadership and other key constituencies in the planning process and retain their buy-in for execution of the strategies; ensure Tipp City’s efforts are focused on areas it has the ability to impact; ensure Tipp City’s efforts are prioritized so that its limited time and resources yield the highest results; ensure goals are ambitious enough to elicit excitement but are achievable; and develop a shared regional vision for: the region’s potential to improve business-driven economic growth, basic goals, objectives and strategies derived through the planning process, the most efficient way to prioritize strategic and operational roles for Tipp City, realistic strategies, tactics, and milestones related to the roles and mission of Tipp City, recommendations concerning roles of external partners in addressing economic development-related and broader regional strategies including ownership and operational execution, and identify existing and necessary resources to implement the plan.

Three structured listening sessions were held with Tipp City public and private sector leadership connected to their economic development program. A project kickoff meeting was held in Tipp City with Montrose Group staff on July 10, 2019. The stated goal from the Tipp City Administration was for City Council is to see the reality of economic development; what industry can we attract to the City, put it in context of surrounding communities, Troy and Piqua, and determine the appropriate use of tax incentives. A discussion was held related to what type of projects such have incentives including using them to recruit commercial projects like hotels, how to better streamline the zoning, finance, utility and City Manager’s office’s operation of economic development, how to set a policy for jointly partnering on economic developing projects with townships, how the City’s municipal electric entity can help recruit companies, and a general discussion of Tipp City’s regional competitors. The Tipp City CIC that was established in the 80s and reformed recently has and the desire and need to re-energize that organization. The Tipp City Downtown Partnership, Chamber, Council members, landowners, developers, schools, and realtor’s role in economic development was also discussed as was the lack of industrial land left in the city. The recent Meijer purchase of 160 acres for a potential warehouse/distribution center was noted.



On October 1, 2019, two separate focus groups were held in Tipp City asking a series of questions and gaining feedback based upon those questions. The questions and answers from those sessions are listed below.

1. What is your impression of economic development efforts by Tipp City? How would you rate their effectiveness?

- Abbott located at its site because it was in a pre-94 CRA
- There has not been a strategic plan that has gotten buy in from community.
- Need to know the ROI for developments that occur. Need to understand how the community is benefiting from development.
- Staff has become a lot more transparent with development decisions. Tim is changing the culture.
- Tipp City had a reputation of not being business friendly, but that mindset is changing.
- Homebuilders and business owners have a perception that Tipp is still not business friendly. Need to get the word out that Tipp is now more friendly.
- Tipp City has had a history of suing its businesses.
- There are contractors that will not work in the City because of its reputation.
- During a growing economy, companies want consistency with approval and permitting process.
- Process is confusing and non-transparent. Community is not aware of why things happen
- Confused about Tipp City's message. Tipp City is very selective with their economic development.
- Municipalities as a whole have gotten more difficult to deal with. Tipp City is not unique, but it has led the way in that effort.
- Companies want a simple process for how to get into a community. Tipp City historically has not been easy to deal with.
- Incentives are not competitive with other communities. 100%, 15-year tax abatement that is post-1994.
- Buffering in zoning is so stringent but they have rolled it back.
- Concerned that Brad Vath is gone and who is taking his place.
- Hard from a design perspective to get a project approved.
- Just black and white in Tipp City. Not much gray area to get projects done.
- Housing. Tipp City is one of the most sought after areas to the north of Dayton. Oakwood of the north. Do not have housing for seniors. Home values are holding in Tipp City.

2. What should be done and by whom to attract and retain young people in Tipp City including high school graduates?

- Do not have an urban environment.
- Developer would have a tough time building 1300-1500 SF homes for young people.
- Downtown is nice and will attract old and young people.
- Do not have multi-family housing. Shorter term housing is not available.

3. In your view, what are the top priority issues/problems, which currently impact Tipp City's economic development potential?

- Tipp City has a reputation that it does not want multi-family
- Perception that you will not get the project approved.
- Upfront fees of developer/builder are prohibitive.
- City needs to look at all projects.

4. What are the top three (3) objectives which need to be successfully accomplished during the next three years for Tipp City's economic development program to be viewed as very successful?

- Cities like Troy invest in other organizations that are accountable for development that is not industrial.
- Need a multi-faceted team that is focused on all aspects of development. There is not a coordinated development organization.
- Tipp City needs to attend I-70-75 meetings and NAIOP
- Downtown development. Having a draw for people to come downtown on the weekends. When people make investments, they look at the health of downtown. 2nd and 3rd story development.



- Local grocery store. Attract a new grocery store not just put up a Dollar General. Need to go about attracting a new grocery store.
 - Housing, industrial development, downtown development; need to have them all working together.
5. How much focus should be put on small business/entrepreneurial development versus large industrial development?
- Need to gather entrepreneurs to spur new ideas. Have an entrepreneurial networking event.
 - Tipp Chamber is doing young leaders of Miami County gathering. Personal development and educational development.
 - Need ready to occupy space. Build speculative incubator space. Need 10,000SF to 50,000SF.
 - Developer has completed 375,000 SF building that Abbott is leasing.
6. What can be done to attract more businesses and investment to downtown Tipp City? What are the chief barriers to Tipp City downtown revitalization?
- There is not a plan for downtown.
 - Empty building that needs investment but do not have the right people at the table.
 - There is no downtown vacancy in retail. Need a restaurant downtown.
 - Need a hotel/restaurant on 75 acres near interstate.
 - Troy has given low-interest loans to downtown building owners to put elevator for 2nd floor.
 - Incentivize the sale of properties. Negative incentive that if you do not repair your building, we will fine you.
 - Troy Community Works. Group that provides low-interest loans to downtown building owners.
7. How do you think Tipp City's economic development attractiveness is viewed in Miami County and in the larger Dayton region?
- No responses from stakeholder meetings.
8. What can Tipp City do to increase its communications both internally (with its citizens, businesses, leaders) and externally (with county and regional partners, JobsOhio/State of Ohio, news media, funding sources)?
- Do not have a public relations person for council meetings or other community events.
 - Relationships matter for economic development; need a high energy person that is willing to get the message out every day. Need a salesperson.
 - Reach out to all the real estate brokers to talk about doing business in Tipp City.
 - City Council seems to be more proactive and more communicative than in the past.
 - Tipp City has bounced back from 2008.
9. What sectors should we focus on to encourage future economic development (manufacturing, small business/entrepreneurial development, warehousing/distribution, retail, housing)?
- Housing and retail. Not enough housing that is affordable. Create higher density housing, multi-family, affordable housing units. Price points are too high for young people to buy. Need for senior citizen housing...all levels. Step down from single family homes they own.
 - Need a walkable development for all family levels...kids, senior citizens. Need more parks for families.
 - Recreational uses.
10. What is the appetite from the private sector to invest, and/or partner in economic development efforts?
- Attraction of industrial development. Lost a Canadian investment because Tipp City was most costly. Cost of land (other cities own parks); utilities are paid for by communities; tax incentives. Went to Englewood Park instead.
 - Cannot build a speculative building because of tax incentives. Looked at building a 250,000SF spec building.
 - People that live in Tipp City should be asked to invest in their community. Tipp City should be communicating with their potential investors.
 - Need to be proactive in getting private sector to make investments.
11. Closing thoughts
- Need to define a focus area and be vocal about what they are trying to attract. Need to overcome past issues.



DO STEPS- TIPP CITY PROSPERITY ACTION PLAN

“Do” steps in the Montrose economic development strategic planning report include the creation of a specific Prosperity Action Plan that outlines specific goals, objectives, strategies and tactics that Tipp City should follow to achieve additional economic prosperity outlined in short term, near term and long term goals tied to specific funding sources. Typical “Do” action steps focus on the creation of industry targets, workforce development strategies, site development strategies, economic development organizational models and business retention and expansion programs.

The Tipp City Prosperity Action Plan focuses on how Tipp City implements their economic development strategy, retention and attraction of a new generation of workers and a diverse industry base to continue the economic success of the city through the adoption of a goal, numeric based outcomes, broad strategies and specific tactics.

Tipp City Prosperity Plan Goal

Make Tipp City, Ohio the national model for rural economic development.

Tipp City Prosperity Plan Outcomes

- Increase Tipp City’s population by 5% in 10 years.
- Diversify the Tipp City industry base to double the number of white-collar workers in 10 years.
- Retain the existing base of manufacturing workers in 10 years.

Tipp City Prosperity Plan Strategies

- Develop a centralized local economic development model.
- Develop a diversified talent pool prepared for the future of work.
- Retain current industrial base and attract new companies in advanced manufacturing, logistics, technology and retail sectors.

Tipp City Prosperity Action Plan Tactics

- 1) Partner with the Tipp City CIC to prepare industrial and commercial sites for development.
- 2) Continue to implement the Business Retention & Expansion program using the Business First model to retain and grow existing companies.
- 3) Implement an economic development communications and marketing strategy to attract new companies to Tipp City in targeted industries.
- 4) Conduct a retail attraction and marketing campaign to bring new retail merchants to Tipp City on the SR571/Main St corridor and the I-75 interchange.
- 5) Develop skilled workers through local workforce connections and development programs by creating TippWorks to connect high school graduates with local occupational opportunities.
- 6) Redevelop Tipp City’s historic Downtown as a tool to attract younger workers to live, work and play through Historic Preservation Tax Credits, Downtown Redevelopment Districts, and state grants and loans.



Action Item #1, Partner with the Tipp City CIC.

A CIC is the most basic form of economic development corporation. A CIC is a not for profit corporation with a very public purpose. They are often required to file a financial report, are not limited to a specific geographic area and membership on the CIC board is not a “public office” can negotiate incentive deals in private.¹¹ CICs are only effective if they are fully funded. To accomplish this goal, CICs are often permitted to borrow money through bonds or mortgage CIC owned property, purchase, sell or lease real and personal property, acquire assets and serve as an agent for local government for grant administration.¹² The composition of a CIC Board illustrates its public focus. In many communities, at least two fifths of the CIC Board must be local elected or appointed government officials.¹³ CICs have the powers of most not for profit corporations but have a focus on development. They permit local governments to create a single organization—often working with other local government entities and the private sector—to focus on the development or redevelopment of a specific site.

The Tipp City economic development staff should partner with the CIC to purchase options on land to protect it for industrial development and prepare sites for development by providing funding to property owners to make sites “pad ready” A prime role that the Tipp City CIC can play is to purchase land or secure options to purchase land with potential for industrial, office, residential and retail growth in the city. Additionally, a CIC can help to certify sites for developers to ensure the site has the appropriate utilities, infrastructure, zoning and tax incentives are in place. Local governments typically use CICs to purchase land or options tied to economic development and fund site certification. These land purchases or options need to be done strategically as the Tipp City CIC should not become a landbank who is asked to carry every undesirable piece of property in Tipp City. Instead, the Tipp City CIC needs to remain agile and purchase land or options strategically for below market rates tied to a site development land that prepares it for development.

The Tipp City CIC should not just purchase property or options but should take proactive moves to prepare the site for private sector development through the negotiations and enactment of land use entitlements at the site as well as through proactive site certification efforts. Preparing these sites with land use entitlements helps Tipp City determine the ultimate use of the site and sends the signal to a potential private sector end user that the site is ready for development.

Real Estate Site Development Process



The property in question first must be properly zoned. Tipp City Council will need to approve of the zoning that is required for the site to develop. Zoning applications must be developed following the creation of engineering and consulting reports that outline the transportation and infrastructure investments need to permit the site to operate. Pre-zoning briefings with local government officials outline the scale and scope of the project as well as the transportation and infrastructure needed and the Return on Investment estimates for the local community. Approval will be sought with the local zoning and planning commission before a city council or township trustee board votes to approve of the zoning change.



The site will also need to have a tax abatement incentive to attract a private sector end user for industrial and logistics projects as these primarily compete on an interstate basis. In Ohio, a Community Reinvestment Area allows for the taxes on real property to be abated and an Enterprise Zone abates all the property taxes on the land and building. Tangible personal property is not taxed in Ohio. CRA's do not abate the taxes on the buildings; thus, the property tax value gain can be captured to use for Tax Increment Financing. Part of gaining a tax abatement is negotiating a compensation agreement with local governments- primarily local school districts. In Ohio, there must be revenue sharing with the school district in order to achieve 100%, 15-year abatement and several local models exist where the developer provides revenue sharing through a Tax Increment Finance District on the land that redirects the increased taxes on land to the school district with the CRA only abating taxes on the buildings. Tax abatements not only need to be enacted by local governments but pre-approved compensation agreements with the school district and the city should be established as well to illustrate the site is truly ready for development.

Ohio law also allows Port Authorities to own property and lease it to private entities. The largest benefit for a private entity to use a port authority is for the exemption of sales tax on construction materials. Local port authorities do these transactions frequently and has an agreement with the county or city to provide port authority financing in the county will be required. This is another funding opportunities for local governments but also provides a substantial reduction in sales tax tied to a project's construction materials. Tipp City should work with the Dayton-Montgomery County Port Authority and establish a sales tax exemption program that can be used for potential end users.

Tipp City should explore the following federal and state financing sources to fund this site development effort:

- **Community Development Block Grant Economic Development Program (CDBG ED).** The Economic Development Loan and Public Infrastructure Grant Program provides funding for projects that create and retain permanent, private-sector jobs, principally for low- and moderate-income persons, through the expansion and retention of business and industry in Ohio communities.

For purposes of public transportation infrastructure development that supports economic development and job creation and retention projects, funds can be granted to local government applicants for public infrastructure projects. Public off-site infrastructure funds are retained as a grant by the local government. CDBG ED public infrastructure grant funds can be awarded for up to \$10,000 for every one full-time equivalent job created or retained, not to exceed 50% of the total eligible project costs or \$500,000.

Eligible activities include provision of financial assistance, through eligible units of general local government, for public off-site infrastructure improvements and fixed asset financing for land, building, machinery and site preparation directly and primarily related to the creation, expansion or retention of a particular business that results in job creation and retention for persons of low- and moderate-income.

- **Economic Development Administration.** The Federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) has allocated \$1.5 Billion to the Economic Development Administration's Public Works and Economic Adjustment Assistance program (EDA EAA). The EAA program can assist with construction and planning dollars that support economic development, fosters job creation, and attracts private investment in communities negatively impacted by COVID 19. The EDA has released its Notice of Funding Opportunity (NOFO) that guides how these new CARES Act funds can be used in communities. Ohio communities fall within the EDA's Chicago Regional Office, which has received \$200 million in CARES Act funding for EAA project assistance. These dollars will be available until the total has been allocated, but typically within two (2) years from the time the NOFO is published. EDA EAA program funding is:
 - Comprehensive and flexible in the type of projects that can be funded.
 - Is a competitive grant program that focuses on projects that meet the EDA NOFO requirements.
 - The EAA can be used for construction projects for infrastructure or broadband projects aimed at diversification, entrepreneurship, or creating new modes of commerce



- The EAA can also be used for non-construction, planning, and implementation activities that support businesses and jobs
- Under this CARES Act allocation, program funding highlights include:
 - A funding ceiling of \$30 million for projects and floor of \$100,000
 - An existing CEDS or other planning document is required (for construction projects)
 - All 88 Counties in Ohio are eligible to apply for these dollars. Priority will be given to projects that support economic resilience and can show a direct impact to the economy from COVID

19

• **JobsOhio Ohio Site Inventory Program.** This is a new program being rolled out by JobsOhio in June 2020. The Ohio Site Inventory Program (OSIP) was established to create property within the state that is not being developed by the market, but that has proven demand and known economic benefit. This program will lay the foundation for development opportunities for Ohio prospects, improving the state's competitive edge with respect to attracting new investment and job creation by filling gaps in the state's inventory portfolio. The program will seek to leverage investment and expertise of partners (private developers, port authorities, communities, etc.), mitigate risks and other limiting factors preventing product development, and speed up the process of bringing economically impactful inventory on-line. The program will have \$50 million available annually for a five (5) year period for projects across the state. The OSIP is targeting to:

- Support for speculative site and/or building development
- Completion of professional studies including: preliminary engineering due diligence, real estate market assessment, and economic impact analysis
- Assessment and Development of airport infrastructure and aviation facilities

JobsOhio will make loans and grants available between \$1 million and \$5 million. Businesses, developers, port authorities, economic development entities such as CICs and local government are eligible for the OSIP program. OSIP funds can be used for site preparation, new building construction, and infrastructure development.

Action Item #2, Continue to implement the Business Retention & Expansion program

80% of all new jobs created in a community come from existing companies currently located in that community. In 2017, JobsOhio, the private sector economic development organization in Ohio reported that 83% of its jobs came from companies already in the state. In economic development we spend much of our time trying to attract new businesses to our community. There is a pay-off to those attraction efforts, but more often than not, a good BR&E program can have even greater dividends than an attraction program. Tipp City is a member of the Business First program in the Dayton region that performs Business Retention & Expansion visits with companies located in Tipp City. The Tipp City economic development team is engaged in this effort along with the Dayton Development Coalition and the Tipp City Chamber of Commerce. The Tipp City economic development team needs to be continued to be engaged in this program to:

- Develop a list of targeted companies that it wants to visit on an annual basis. This list can change from year-to-year but should remain relatively constant to track the trends of these companies and these sectors. The Tipp City economic development team should build relationships with these companies to give them comfort in reaching out when an issue arises.
- Meet with local company executives to gather input on the issues they face and address their issues to help them companies grow in Tipp City.
- Solve company challenges to address regulatory, incentives, workforce or utilities challenges by facilitating conversations with decision makers that can address these concerns. These visits with local company executive should be followed by calls and emails and other communication to ensure that challenges identified in those meetings are addressed and fixed. The biggest downfall of any BR&E program is a lack of follow through leaving companies having to address their challenges on their own.



Action Item #3, Implement an economic development communications and marketing strategy

Business attraction campaigns promote a City through marketing to companies likely to have an interest or link to the region. A community economic development marketing plan creates a community message, identifies prospect companies, and connects with these prospective companies through a range of methods. Once a message is developed, a list of company prospects is created. This is done through an industry cluster analysis that identifies local company strengths and connections to like or similar industries. Local companies are a source for prospective development as they provide introductions to key suppliers and others with an interest to be more closely connected with their business. Business attraction campaigns globally market in the hopes of landing a major FDI project. Finally, business attraction campaigns market and react to corporate site location consultants who represent big and small companies alike in their efforts to determine the best location for company expansion projects.

A pillar of economic development marketing involves the development and use of social media including the operation of an effective web site and regional brand. Tipp City needs to have an economic development tab on its web site to build the brand of the community. Following the creation of the economic portion of the website, a social media campaign should be undertaken to build the Tipp City profile through sites such as LinkedIn and Google, targeted industry trade association sites, a quarterly email based newsletter targeting corporate real estate and corporate site location executives all designed to drive traffic to the Tipp City website. Tipp City needs to participate with the Dayton Development Coalition in key industry trade shows such as the Industrial Asset Management Council and others, and work with the Dayton Development Coalition (DDC) to coordinate a media relations calendar to pitch regular stories to targeted industry trade publications and regional news outlets.

The Tipp City marketing campaign could also include participating in targeted industry trade association events in partnership with DDC such as the Industrial Asset Management Council (IAMC), Site Selectors Guild, National Association of Industrial and Office Properties (NAIOP Ohio) and CoreNet events which are populated by regional and national corporate site location consultants as part of a Western Ohio coalition, and participation in the annual I-70-75 economic development forum.

Action Item #4, Conduct a retail attraction and marketing campaign

Tipp City is located between existing retail and shopping center commerce areas in Troy, which is roughly 15 minutes north of Tipp City, and the I-75/I-70 intersection which is 15 minutes south of Tipp City. In Troy, national chain restaurants and service businesses are located along West Market Street leading from the I-75 exit into downtown Troy. Just south of Tipp City, at the I-75/I-70 intersection, several national hotels, chain restaurants, retail operations and service businesses populate the area and serve the region.

In order to compete with these interchanges, Tipp City needs to mount an aggressive attraction and marketing campaign and go directly to retailers to bring entice them to locate in Tipp City. In today's retail industry Tipp City is the proverbial hole in the donut; residents of Tipp City flock to Troy or south to the I-75/I-70 interchange for a larger mix of retail, restaurants and entertainment than what is available in Tipp City. Retailers need to be alerted to the spending power and income levels of the residents of Tipp City and their surrounding community. The City itself has not had a campaign to go after these establishments. It has largely had to rely on developers and owners of commercial space to attract retailers, hoteliers and restaurants.

In order for Tipp City to be more aggressive in its attraction of the retail sector its economic development team should enact the following steps:

- Conduct a retail leakage/gap analysis to determine where the residents of Tipp City are shopping today, their spending power, and their spending habits.
- Conduct a public survey of residents to determine what retail sectors they would like to see located in Tipp City.
- Identify the retail sectors and companies that it would like to attract based on this retail leakage/gap analysis.
- Develop an outreach campaign to real estate brokers, retail site location consultants, and most importantly real estate executives at companies to alert them to the opportunities in Tipp City.
- Hire an outside consultant to assist with these business development and marketing efforts.



The attraction of retail development to a community is largely different than an industrial or manufacturing site location process. For retail site selection, developers and larger-scale retail and service businesses typically conduct a location analysis, or a retail site selection study, when evaluating the potential development opportunities of specific sites and communities. Conducting a location analysis is important for retail stores of any size that are investigating new locations, or shopping center developers interested in understanding the market opportunity a proposed site might offer.

A typical retail location site selection process involves analyzing elements of a community, region and demographic base, including:

- An overview of the surrounding market(s) and review of macro trends in those markets, such as population, population growth, employment growth, and availability of workforce;
- A delineation of retail trade area boundaries for the site based on drive time analysis and other influencing factors such as topography, competition and regional accessibility;
- Examination and benchmarking of trade area characteristics such as population and household changes, buying power of the existing population, population density of the target consumer market, and demographic characteristics and trends such as age and income;
- A review of key retail store or shopping center competition within the trade area (typically within a 15- to 20-minute drive radius), focusing on relative strengths and weaknesses against the proposed site;
- A forecast of sales potential for the site, and;
- An estimation of market share capture for the retailer or shopping center.

Consumer buying habits have increasingly become a major factor in retail/shopping center site location decisions. The growing trend towards online shopping and e-Commerce versus traditional brick and mortar retail locations means the comprehensive site location analysis is even more critical to site location decisions and identifying sites with the highest profit potential. The U.S. Department of Commerce has reported an increase of \$141 billion in e-Commerce sales between 2017 and 2019 and this number is expected to continue growing.

Action Item #5, Develop TippWorks Workforce Partnership

Tipp City has a strong and successful base of industrial workers in a range of industries. That is the good news. The bad news is connected devices, automation, robotics and Artificial Intelligence are dramatically changing the future of work. By 2020, there will be more than 50 B connected devices in use around the world, all converging to create huge new markets.¹⁴ In the next several years, revenues are expected to reach many billions of dollars in each sector including the industrial internet, connected home solutions, connected car services and connected health.¹⁵ Companies around the world are increasing their use of robots. The global average for industrial robots per 10,000 manufacturing workers grew from 66 in 2015 to 85 in 2017.¹⁶ The United States ranked seventh with 200 industrial robots per 10,000 workers.¹⁷ Nations from Japan to South Korea to China are adopting public policies and devoting resources and tax credits to companies who are modernizing and utilizing technology to make their business more efficient. As an example, the Chinese Robotics Industry Development Plan (2016–2020), part of its Made in China 2025 initiative, promotes domestic robot production and sets a goal of expanding robot use by such companies tenfold by 2025.¹⁸ The Chinese Guangdong province will supposedly invest 943 B yuan (approximately \$135 B) to help firms carry out “machine substitution.”¹⁹ While economists continue to debate the impact on employment for connected devices, automation and robotics, no one can question whether these devices will make companies more efficient and need more electricity.

The question is whether these companies remain or are attracted to Tipp City, or locate in Asia or Southern U.S. states. Regions, states and their companies building expertise in robotics innovation and workforce development training to use and develop robots in a range of industries will be better prepared for the future work and to retain and attract companies in a range of industries. McKinsey estimates 686,000 computer software, programming and support jobs will be created by 2030 from AI and automation. MarketWatch determined there will be a \$98 B value for the global robotics industry by 2024 driven by future expansions into manufacturing, logistics, health care and service industries. Industrial robots have become smarter, faster, and more affordable, and have developed advanced capabilities, such as sensing, dexterity, memory, and trainability.²⁰ By 2020, the global industrial robot market is expected to reach \$41 billion.²¹ Advanced



industrial robotics have been chiefly pioneered and deployed by the automotive industry, particularly Japanese carmakers such as Toyota, followed closely in their wake by European and North American counterparts.²² Sixty-nine percent of all industrial robot orders in North America were made by automotive OEMs but, by 2014, that figure had eroded to 56 percent, offset by increasing shares by other industries including food and beverage, consumer goods, life sciences/pharmaceutical/biomedical, and metals industries.²³ The Robotics Industries Association says there are currently 230,000 robots now in use in U.S. factories.²⁴

The availability of a skilled workforce prepared for the future of work is critical to any region's economic success. Tipp City, like most rural communities, faces a greater talent challenge as rural communities often lack a small pool of available workers and, even worse, the workforce pipeline that begins with students in high school leaves town as soon as they graduate. TippWorks should be modeled after Pickaway County, Ohio's Pickaway Works Program to address the rural workforce development challenge. Pickaway WORKS builds collaboration with education, business and community to build partnerships that create relevant career pathways for students and link them with resources and opportunities to succeed. The vision could be used in Tipp City to inspire and improve students' college and career readiness which will improve their quality of life and ultimately improve the economic stability of the area. Tipp City can meet local job demands by encouraging the Tipp City Exempted Village Schools to invest resources tied to developing new career readiness initiatives intended to prepare and align students with local employment opportunities, entrepreneurial training, internships, 21st century skills curriculum and a variety of other tools are now being utilized to equip graduates for the workplace. To foster collaboration with Tipp City employers and local education and workforce training resources, Tipp City should provide a series of Workforce Connection meetings to start the building of partnerships that create relevant career pathways and provide local career opportunities for students, meet workforce demands of local employers and strengthen the economic stability of our community by connecting educators with employers, promoting internships for students, preparing students through mock interviews, implementing college readiness programs and other efforts focused on reconnecting education with business and community, to better engage with each other and support a more authentic learning experience for students.

Tipp City should also urge the creation of a regional robotics training center coordinated by the Dayton Development Coalition in partnership with Sinclair Community College and the University of Dayton. Sinclair Community College currently offers an associate degree in Automation and Control Technology. This program prepares graduates for control system technician and designer, electrical and electronic systems engineering technician, industrial equipment sales, purchasing, installation, and service.²⁵ Graduates are also be prepared to assume rolls as industrial maintenance technician, plant maintenance technician, robotics technician, system integrators, and supply chain technician.²⁶ However, there is no large scale robotics training center located in Ohio. In fact, Tipp City through the Dayton Development Coalition should approach JobsOhio about funding and developing four robotics training centers across the state of Ohio modeled after the \$73M Alabama Robotics Technology Park, which is a collaboration between the state of Alabama, Alabama Community College System, AIDT, and robotics industry leaders across the nation.²⁷ The Ohio Robotics Centers when fully developed can consist of a training facility to prepare workers to operate robots for a range of industries, provide technical assistance to companies looking to understand how to integrate automation and robotics into the workplace, and a robotics research and development center focused on future applications with regional company, economic development, secondary school and higher education partners.

Action Item #6, Redevelop Tipp City's historic Downtown as talent attraction tool

Saving historic structures can be a key element to Tipp City's prosperity—especially when it comes to redeveloping rural Downtowns whose walkable areas are attractive to younger workers. Tipp City's history is one of the core elements that defines the community and nowhere is that history more prevalent than in the city's downtown and oldest neighborhoods along Main Street, also known as the Old Tippecanoe City Restoration and Architectural District.²⁸ In 1983, the Old Tippecanoe Main Street Historic District was entered in the National Register of Historic Places by the National Parks Service, United States Department of the Interior.²⁹ This area contributes so much to Tipp City's sense of place that the community has come together over history to establish special programs designed to protect and enhance the area with a variety of tools



including designation of the area as a historic area on the National Register of Historic Places, and establishing these local guidelines and standards for renovation, rehabilitation, demolition, etc.³⁰ Property owners, residents, and tenants are required to apply for and obtain a Certificate of Appropriateness (COA) from the Restoration Board or city staff before beginning any work described in the Design Manual or the Tipp City Zoning Code if the subject property is within the Restoration District.³¹ As the certificate's name suggests, the goal of the review is to ensure that changes made in the Restoration District are appropriate for the style or design of the existing building and harmonious with its neighboring structures, and, by protecting the historic character of each building, the city, owners, and tenants are protecting the history of the district and, more importantly, the value of this resource.³² The requirement for a COA primarily applies to the exterior of structures and typically only to changes that will result in significant changes (e.g., materials, colors, bulk, massing, character, style, etc.); it does not apply to the interior of any home or business, there is no fee for applying, and application forms (PDF) are available online or upon request at the Tipp City Community and Economic Development Department.³³

The redevelopment of Tipp City's historic structures can create an economic boom in urban, rural and suburban communities across the United States. In part, this historic building renaissance is driven by a new market- Millennials. The movement of Millennials to the urban core is bringing new light to the economic benefits of historic preservation. There are 77M Millennials between ages of 18-36 and they constitute the largest generation in American—just surpassing the Baby Boomers. Regions attracting Millennials gain workers and consumers that are major drivers of the American economy. However, attracting Millennials is not easy as their wants and needs differ from older generations-- 62% of Millennials want to live in mixed-use development, 40% of Millennials want to live in Urban NOT Suburban areas, 2/3 of Millennials are renters, Millennials own fewer cars as they aspire to live in a mixed use, pedestrian friendly environment. Fortunately for Tipp City, the Old Tippecanoe Main Street Historic District is primed to attract Millennials as the district was designed before the car dominated America's development patterns.

Redevelopment of the Old Tippecanoe Main Street Historic District can be accomplished through programs that can provide funding for investments in the historic structures as well as provide the infrastructure the site needs to develop. Downtown business owners and the Downtown Tipp City Partnership should implement Ohio's Downtown Redevelopment District program to encourage the redevelopment of the Old Tippecanoe Main Street Historic District. Ohio municipal corporations can create downtown redevelopment districts (DRDs) and innovation districts to promote rehab of historic buildings if a city has a certified historic structure, creates a district as large as 10 contiguous acres around that historic structure and develops a DRD economic development plan. Six steps exist to redevelopment historic property using DRDs.

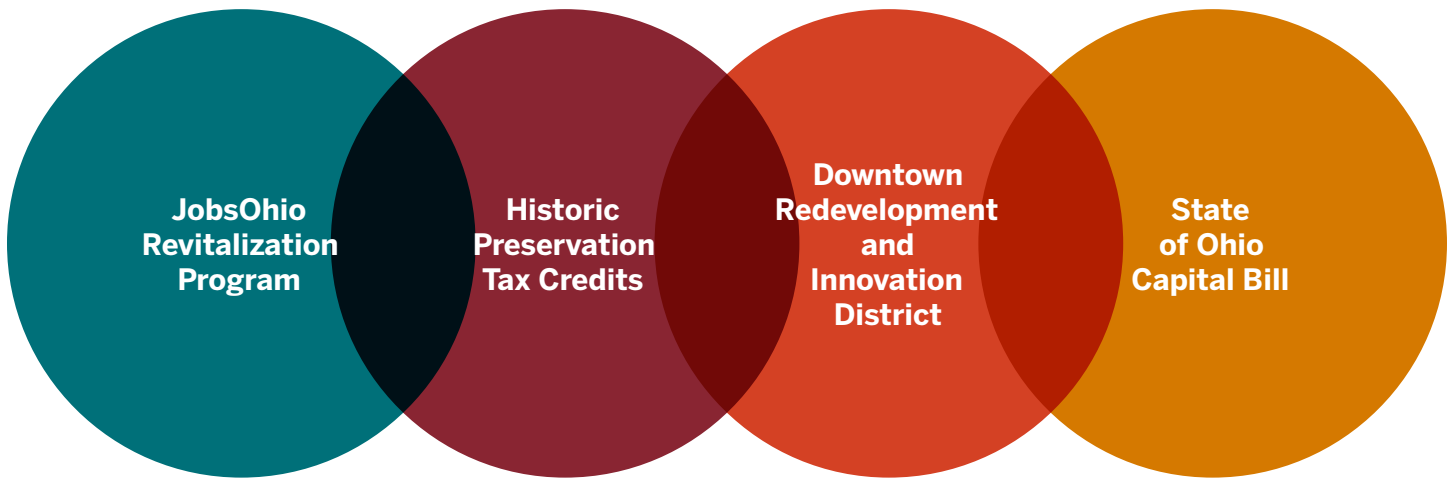


1. Historic Preservation Certification and Renovation Plan. The DRD process begins with the identification of a certified historic structure or undertakes the process of gaining that historic certification. DRD historic certification is accomplished through four different routes including if a building is on the National Register of Historic Places, contributes to a National Register Historic District, located in a National Park Service Certified Historic District or a Certified Local Government Historic District. Historic preservation certification also requires an approved renovation plan to keep historic building “historic.” The Old Tippecanoe Main Street Historic District clearly meets this certification requirement.
2. Complete a DRD Economic Development Plan. DRD districts must have an economic development plan. A DRD economic development plan should identify the redevelopment project costs including building, infrastructure and operations, financial modeling of the parcels within 10 acres around the historic structure and review of other tax credits, grants, loans and private contributions to address those costs, a site development plan that considers the economic potential of the DRD through commercial, mixed use and research market research and outlines that local government process and agreements needed to formally create a DRD. A consulting firm should be retained to develop this DRD Plan.
3. Adopt a DRD financial model. Next, Tipp City must develop a DRD financial model addressing the building, infrastructure and operational costs through an tax exemption up to 70% of the increased value of real property in the DRD providing the collection of service payments in lieu of taxes from the property owners and redevelopment charges assessed to property owners within the DRD- both of which may be levied without property owner approval. The DRD may not be exclusively residential and last for 10 years or 30 years with school board approval. Additional funding for the DRD can be gained from federal and state historic preservation and state Capital Bill funding. Again, this funding model can be part of the DRD Plan Tipp City could have created.
4. Adopt the DRD District Ordinance, Public Hearing & File Annual Reports. DRDs are created through a city ordinance describing the area included in the district, the number of years the DRD will exist, the economic development plan, identification of the historic building (s) in the district, potential designation of an innovation district within a DRD, establishment of a special fund for the deposit and dispersal of service payments and redevelopment charges, and acknowledgement that city must file an annual DRD report to the Ohio Development Services Agency. Finally, the city must hold a public hearing on the proposed DRD ordinance and give notice of the hearing to each property owner in the district. Following the DRD Plan adoption, Tipp City would need to follow the public input and ordinance process outlined above.
5. Negotiate DRD Agreements with building owners, school board and other funders. Following passage of a DRD ordinance, Tipp City should enter into various agreements with building owners, school board and other funders of the project. Examples of these agreements include local government and school board revenue sharing agreements, development agreements with DRD participants to outline funding terms of the public-private-partnership and grant and loan agreements from other outside public and private sector funding sources.

Most of the time, the use of a DRD will not cover the full cost of redeveloping historic properties in rural Downtowns. Thus, other sources of funding need to be found.



Historic Preservation Redevelopment Financial Model: The Capital Stack



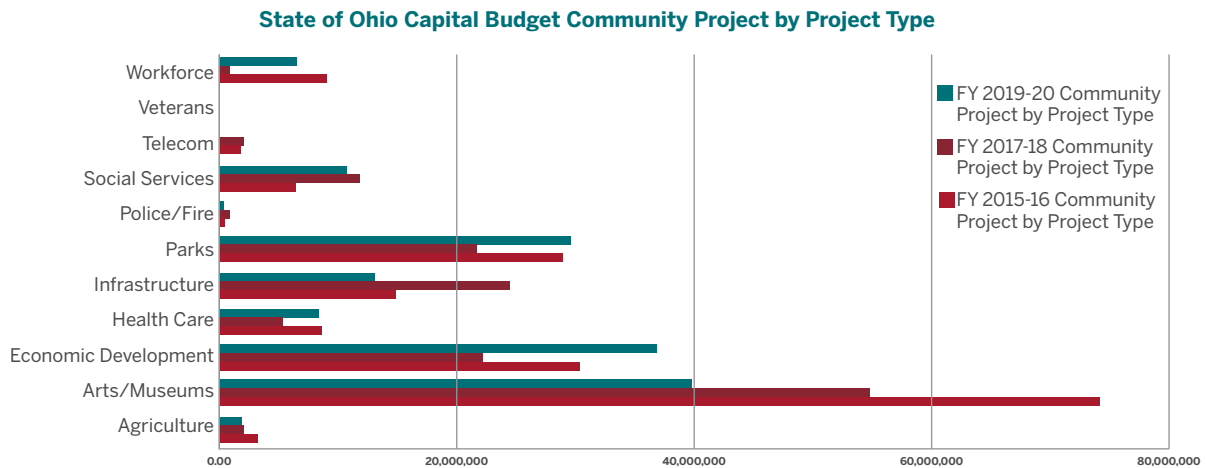
Beyond DRDs, Tipp City should consider at least four other sources of funding to finance their historic preservation redevelopment projects.

- **JobsOhio Revitalization Program.** The JobsOhio Revitalization Program Loan and Grant Fund is designed to support the acceleration of redeveloping sites in Ohio. Primary focus for the program is placed on projects where the cost of the redevelopment and remediation is more than the value of the land and a site cannot be competitively developed in the current marketplace. Priority will be placed on projects that support near term job creation opportunities for Ohioans. Revitalization projects typically retain and/or create at least 20 jobs at a wage rate commensurate with the local market. Priority will be given to job creation and retention projects within JobsOhio targeted industry sectors, those making additional capital investment beyond remediation and redevelopment and/or projects with wages higher than the average local wage rate. Eligible applicants include businesses, non-profits or local governments where the entity committing the jobs has signed an agreement such as a letter of intent, option, lease or holds title for the project site and has a specific business plan, financing plan and schedule for redevelopment and job creation to occur. Eligible sites include an abandoned or under-utilized contiguous property where redevelopment for the immediate and primary purpose of job creation and retention are challenged by significant redevelopment constraints. Eligible costs include: demolition; environmental remediation; building renovation; asbestos and lead paint abatement; removal and disposal of universal and construction waste; site preparation; infrastructure; and environmental testing and lab fees; and remediation projects For environmental remediation loans and grants, a No Further Action letter issued by an Ohio Certified Professional is typically required for projects where long-term engineering controls are necessary on the site. In certain circumstances, JobsOhio may require a Covenant Not to Sue from the Ohio Environmental Protection Agency, depending on the project and site characteristics.
- **Historic Preservation Tax Credits.** State and federal Historic Preservation Tax Credits offer an important source of funding for historic preservation projects. The federal Historic Preservation Tax Credit proves a 20% tax credit for the rehab of certified historic structures, 10% federal tax credit for non-historic structures. The state of Ohio offers a 25% state tax credit for historic structures with a special \$5M Ohio cap unless a Catalytic Certificate Project that can gain up to \$25M. The program is applicable to financial institutions, foreign and domestic insurance premiums or individual income taxes, and used against liability or refunded up to \$3 million in one year.

Spring 2020 Ohio Historic Preservation Tax Credit



- State of Ohio Capital Budget Community Projects.** In even numbered years, the Ohio General Assembly enacts a state of Ohio Capital Budget bill that provides for state funding for agencies, universities, schools and community projects tied to the arts and economic development. Capital budget community projects are often tied to the redevelopment of historic structures in Ohio such as theaters, museums, office and university buildings. If you break down the types of community projects into category types the biggest recipients of awarded projects include arts/culture, economic development/workforce, parks, and general infrastructure. (See chart below)



The average project award can vary based on projects and the overall amount appropriated. The average community project award decreased from approximately \$600,000 in FY 2015-16 to just over \$300,000 in the last capital budget of FY 2019-20. Communities across Ohio have infrastructure needs and the capital budget is a great place to advocate for state support for each community's priorities. Each capital budget there are approximately \$1.2 billion in request for community project funding, with the average appropriated amount being approximately \$140-70 million. This creates a lot of competition and having a good plan with local support and the right representation to help promote and advocate for your communities' priorities is key to being successful. Tipp City should seek State of Ohio Capital Budget Community Project funding for a project tied to historic preservation or Downtown development.

ENDNOTES

- ¹ U.S. Census Bureau.
- ² Federal Reserve Bank of St. Louis, FRED System.
- ³ U.S. Department of Commerce, Economic Indicators, July, 2019.
- ⁴ Federal Reserve Bank of St. Louis, FRED System.
- ⁵ Ibid.
- ⁶ U.S. Census Bureau.
- ⁷ U.S. Census Bureau
- ⁸ Robert P. Giloth, "Learning from the Field: Economic Growth and Workforce Development in the 1990's," *Economic Development Quarterly*, 14, 4 (November 2000) 340–359, 345.
- ⁹ See <http://www.eda.gov/Research/ClusterBased.xml>.
- ¹⁰ <https://www.co.miami.oh.us/429/Largest-Employers>
- ¹¹ See Ohio Rev. Code Sec. 1724
- ¹² Id.
- ¹³ Id.
- ¹⁴ https://www.accenture.com/_acnmedia/accenture/conversion-assets/dotcom/documents/global/pdf/digital_3/accenture-connected-commerce.pdf
- ¹⁵ Ibid.
- ¹⁶ https://itif.org/publications/2019/10/15/robotics-and-future-production-and-work?utm_source=Area+Development+Site+%26+Facility+Planning+Newsletters&utm_campaign=ea115cdb31-SFP_This_Week_463&utm_medium=email&utm_term=0_94850a8d43-ea115cdb31-300584677&goal=0_94850a8d43-ea115cdb31-300584677
- ¹⁷ Ibid.
- ¹⁸ Ibid.
- ¹⁹ Ibid.
- ²⁰ <https://www.pwc.com/us/en/industrial-products/assets/industrial-robot-trends-in-manufacturing-report.pdf>
- ²¹ Ibid.
- ²² Ibid.
- ²³ Ibid.
- ²⁴ Ibid.
- ²⁵ <https://www.sinclair.edu/program/params/programCode/AMCT-S-AAS/>
- ²⁶ Ibid.
- ²⁷ <https://www.alabamartp.org/>
- ²⁸ <https://www.tippcityohio.gov/275/Historic-District>
- ²⁹ Ibid.
- ³⁰ Ibid.
- ³¹ Ibid.
- ³² Ibid.
- ³³ Ibid.

