



**WARREN COUNTY ECONOMIC DEVELOPMENT
STRATEGIC ANALYSIS**

Prepared by:



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**WARREN COUNTY ECONOMIC DEVELOPMENT
STRATEGIC ANALYSIS**

PHASE I REPORT

Prepared by:



Submitted:

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I. OVERVIEW

The primary focus of Phase I of the Strategic Analysis of Warren County was to identify and prioritize the most developable sites in Warren County. A number of factors enter into the analysis as to where the resources need to be oriented over both the short and long term periods of time. In order to achieve a proactive and efficient use of local, county and state resources, the task was to methodically select a limited number of business development tracts to concentrate the efforts for development, specifically in regard to the identified target business and industry categories.

In addition, we reviewed current access corridors and provide an analysis as to which routes deserve attention as future routes for goods, services, employees and residents. This analysis should provide an initial overview for the allocation of resources that will assist the County in making future funding decisions in regard to road improvements by both the State of Ohio as well as the County to better serve its residents and commerce.

Lastly, in Phase I, we considered the Targeted Industry categories and began identifying the key support industry for those categories that is already located in Warren County. Once these are identified, we will determine where there are gaps in the services needed and attempt to identify where infill needs to take place. This analysis will provide a list of potential industry types that need to be added to the existing industry mix in Warren County to better serve its existing business and industrial community as well as enhance its ability to further expand the County's employment base with new industrial and business employers.

There were forty-two independent business and industrial parks in Warren County identified for industrial and business recruitment. Many of the properties identified were in private control, with some being operated and owned by the respective municipalities located within the County. While there are numerous properties throughout Warren County that have potential as business sites, few are in areas that are either easily accessible or desirable for development at this time. As a result, we have identified approximately five additional sites over the initial forty-two that should be considered as part of the overall analysis.

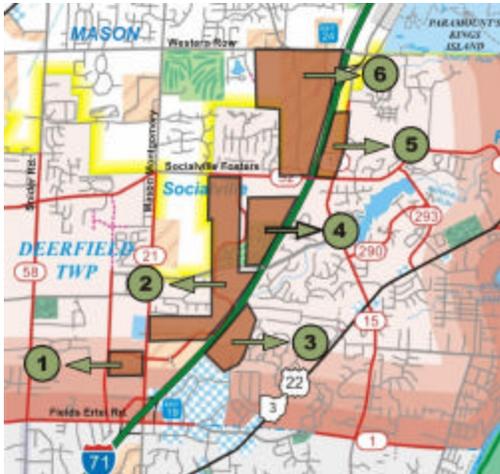
In order to systematically review all of the identified sites, we have grouped them by both municipality and township/region of the County.

II. JURISDICTION ANALYSIS

A. City of Mason/Deerfield Township

The City of Mason is the largest community in Warren County as well as the most densely populated and developed as is Deerfield Township. Their orientation for development has trended toward office and service related facilities with lesser emphasis on the manufacturing sector. There is, however, potential for greater growth in all business categories in the Mason/Deerfield Township area.

While there is growth potential, there is also potential for confusion in regard to marketing and recruitment efforts related to this specific marketplace. With an Economic Development Department of its own, the City of Mason is quite self sufficient and has an excellent handle on its capabilities and direction. Deerfield Township, which recently purchased the Kingswood Golf Course for future development, at times could be in direct competition for location activity and this could pose a potential problem. This is an area where the Warren County Office of Economic Development could become the coordinator for competing activities in this part of the County.



- 1- Deerfield Crossing
- 2- Governor's Pointe
- 3- Waterstone
- 4- Kingswood Centre
- 5- Kings Pointe
- 6- Innovation Business Center

The City of Mason's targeted business categories match up with the efforts of the Cincinnati USA Regional Partnership, which include Aerospace, Advanced Materials, Chemical, Bio-Science, Life Science, Automotive, and Plastics. Additional targets that have been identified are Financial Operations, Marketing Operations and Research Operations. As a result of these identified target markets, the City of Mason has indicated the

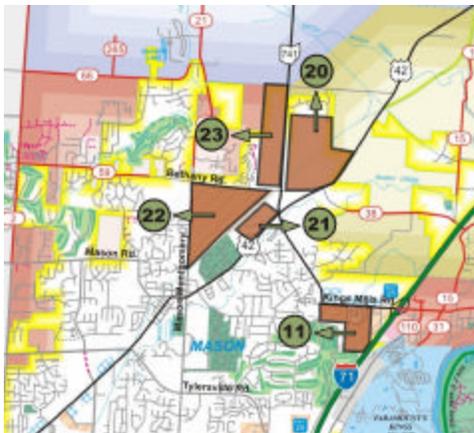
desire to create a High-Tech Healthcare Corridor linked to the Health Alliance and its property on Western Row as part of its primary economic development initiative. The Tourism industry is another major employer for the City of Mason and its surrounding area. With the

recent sale of Paramount's Kings Island, additional emphasis should be given to what potential new markets could be served with this and the other related tourism activities that are located in the region.

In regard to the Business and Industrial parks and facilities, many of the properties are privately held, with many of the owners being major developers from the greater Cincinnati area as well as some of the primary employers within the community. In each case, the individual developers have their own layer of marketing and outreach programs

independent of the City of Mason, Deerfield Township and the Warren County Office of Economic Development.

Deerfield Crossing, Governor's Pointe and Waterstone, the Business Parks located in Deerfield Township, have been virtually built out and most of the properties are oriented to office functions and limited spot service and manufacturing use. Kingswood Centre (formerly Kingswood Golf Course) and Kings Mills Business Center both have potential for significant expansion of the business base in the township. Depending upon the resources available and ultimate ownership, these sites could become highly sought after specifically in the areas of office development and research oriented functions. The marketing and development of these properties should be primarily handled through the capacity of Deerfield Township and the individual developer/owners with support on an as-needed basis from the Warren County Office of Economic Development.



- 11- Kings Mills Business Park**
- 20- North Mason Industrial District**
- 21- 42 North Commerce Park**
- 22- Lakewood Commerce Center**
- 23- Mason Enterprise Park**

The City of Mason has a number of established business and industrial parks throughout the community. These properties include Kings Pointe, Innovation Business Center, Fountains of Mason, Mason Commerce Park, Castle Park, Tri-Way Business Park and Kings Mills Business Center. Most of these properties are built out and have limited chance for further expansion. As a result, the City has looked in other parts of the community for the potential and opportunity for growth.

The greatest potential for impact in the City of Mason, in association with the Warren County Office of Economic Development, lies with the development of Business Parks in two areas of the community: the Golf Center off of I-71 adjacent to Kings Mills Business Center, and; four properties on and adjacent to Ohio Route 741 on the north city limits of Mason- North Mason Industrial District, 42 North Commerce Park, Lakewood Commerce Park and Mason Enterprise Park. In all cases, there is adequate land for development with all utilities in place. In addition, the four Parks off of Ohio Route 741 have the potential for rail service, which is quickly becoming a sought after commodity in the search process for new manufacturing and distribution projects. The Golf Center site has significant potential in development as a further extension of the office market that is already strong in the City of Mason. Additionally, it could also be developed as sports and recreation center complimenting the current developments surrounding the area. This could include targeted service activities related to Kings Island, the ATP Tennis Complex as well as other sports and recreation related businesses.

Kings Island is a special opportunity in that there is adequate land available to both expand the Park if necessary, as well as potentially add some related and unrelated activities to the overall development. This could both compliment and enhance the

overall tourism component of the Warren County economy. The County could have a significant impact in assisting the Park and the City of Mason to identify potential uses and businesses for the excess acreage.

B. Union and Hamilton Townships

This area includes properties primarily south of I-71 along or near Ohio Route 48. It contains a series of small business parks and residential developments, including Rivers Crossing, Hamilton Township Industrial District, Zoar Industrial District, Maineville Industrial District and Dallasburg Industrial District. Most of the Business Park lands are landlocked and close to being built out, with virtually no chance for expansion. Most of these properties are oriented to Commercial and Office oriented facilities and are generic in nature with no distinct target or specialty. The properties have reasonably good access and are in very close proximity to major population centers. However, the areas can be heavily congested during certain times of the day. The exceptions to the notations above are for Rivers Crossing and the Dallasburg Industrial District.

The Rivers Crossing is a development immediately off of I-71 on Ohio Route 48. It has reasonable visibility from Interstate-71 and as a result has generated some interest in office development. One of the disadvantages of this area is the severe congestion found immediately surrounding this site and areas south of the Little Miami River. As a result, the potential of significant development could well be hampered unless there are numerous improvements made to the infrastructure in and around this development. Proceeding south on Ohio 48, congestion continues to be a problem, until properties begin to open up to a more rural setting south of Maineville where it is less populated and more open country.



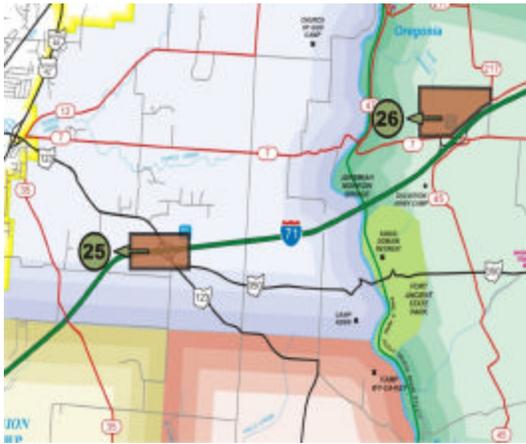
Dallasburg Industrial District

Dallasburg Industrial District lies in the southern part of Hamilton Township and is one of the larger tracts in the County. The site is difficult to find and access via good roads is limited. It is in a remote location and all of the roads are small feeder roads and none seem capable of handling a continuous level of industrial activity. The site is, however, large and flat and could be applicable for a large single industrial user or employer. It has reasonable access to population center via numerous secondary roads. There is also potential to put additional acreage together if a larger site is needed.

C. Harlan, Salem and Massie Townships

Each of these townships is located in the eastern portion of Warren County and has no direct access to any of the Interstates traversing the County. They are highly rural in nature and lacking of critical resources to support major development at this time. It is highly unlikely that any significant development will take place in these Townships until major utility and general infrastructure improvements are made.

D. Washington Township



25- SR 123 Industrial District
26- UC Partnership Campus

The University of Cincinnati Partnership Campus has reasonably good access to Interstate-71 as well as to the City of Lebanon and the metro population base. The intersection will need to be improved at some point to allow for easier access. In addition, there needs to be significant upgrades and extensions of all utilities and infrastructure to the site prior to any marketing. The view of the site is currently limited due to overgrowth of the surrounding terrain. It does have adequate size for major developments and could be an excellent location for an Agricultural Research Park with its linkage with the University of Cincinnati. The tie to the University of Cincinnati could also be

beneficial for ownership and development opportunities as well as an enhancement for a teaching center in partnership with Sinclair College. The site has reasonable to good access for employees and has adjacent potential properties to be added if the need arises.

Across Interstate-71 from the site is another potential site that should be considered. It has all of the same attributes as the above site and is well situated on the Interstate with good access. Again, like the University of Cincinnati site, major infrastructure needs must be addressed before anything can be done with the property.

E. City of Lebanon/Turtlecreek Township

The City of Lebanon has a strong City Manager with interest in the further development of the City of Lebanon. They are in the process of completing an Economic Development Plan for the Community. This, like the City of Mason, could be a cause for confusion if coordination by the City and the County is not addressed. The City has traditionally been oriented to manufacturing as its primary focus for economic development. They are currently using the Cincinnati USA Regional Partnership's targets as their primary source for marketing. However, a new Business Targeting Analysis that is underway should address other components of the economy that can

further add to the diversification of the community. Lebanon’s business base is concentrated in five areas including, Printing, Automotive, Metals, Plastics and Electronics. The community also has an additional asset in that it owns and operates its own power utility and communications system, including last mile 96 Call Fibre at T3 or better connection. The City recently negotiated to accept additional service territory from Duke Energy which should allow for better service to their business and industrial customers.



Lebanon Airport Site

The four primary sites in Lebanon are adequate for the current time. The greatest potential is the Lebanon Commerce Center and property adjacent which currently is located in Turtlecreek Township. It has room for potential expansion with all utilities in place as well as part of the Park being within close proximity to Ohio Route 48 and Interstate-71. This site, with its access to I-71, should garner support and interest from the Warren County Office of Economic Development, even though the City is improving its own economic development

efforts. In addition, the community has been informed that Fujitec has put its property (125 acres) up for sale. This could be an additional draw to the area for development of an additional campus style park. Kingsview Industrial Park is also visible from Interstate-71 and is in close proximity to potential rail service, however the property is virtually built out at this time. The City of Lebanon controls Columbia Business Park, which is accessible by rail and has potential for expansion. Norgal Industrial Park has limited area for expansion and is hampered for future development by the proximity of the flood plain . Of the sites located in Lebanon, this is the least desirable.

Another point of emphasis is the growing interest in the tourism sector. The City of Lebanon has specific interest in the further development of the Lebanon Raceway, a Harness Racing Track, with off-street betting capabilities. There is a desire to identify other forms of tourism that would supplement and enhance the services of the current track facility.



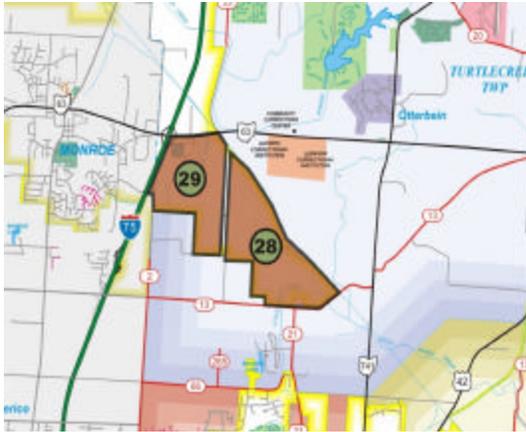
**13- Rivers Crossing
19- Columbia Business Park
24- Lebanon Commerce Park**

There are additional options in Turtlecreek Township that deserve further exploration. One is the development of the Lebanon-Warren County Airport property on Ohio Rt. 20. This fits with one of the identified target industries and could further add to the diversity to the overall economy. The fact that there are significant properties available with the total property allows for significant growth

regarding this property. In addition, further review should be done regarding the SR 123 Industrial District's future development. It has excellent access to Interstate-71 and, as utilities are further upgraded and extended, could become a prime business corridor. Specific attention should be given to this property so that the integrity of the site is not damaged due to unregulated growth or zoning/land use in this area.

F. City of Monroe

There are three additional properties of significance on the western side of the Turtlecreek Township: Shakerland Industrial District, Corridor 75 Park and North Monroe Industrial District. The three sites are all in the City of Monroe but located in Warren County and have excellent access and visibility. However, concerns about their proximity to a major religious institution and two regional prison facilities have been raised. In addition, there are issues pertaining to utility availability and extensions and road improvements which may impact the properties. Both Shakerland Industrial District and parts of Corridor 75 Park have access to rail service with Shakerland having the most direct service available. Even with



28- Shakerland Industrial District
29- Corridor 75 Park

theses properties' proximity to both the major religious property and the correctional facilities, these two sites have great potential for development for major economic development projects. Specifically, areas of heavy industry as well as large distribution type operations could be served quite well at these locations. Additionally, the proposed enhancement of the I-75/Route 63 intersection to a SPIEWE intersection could prove quite beneficial to the development of these sites.



Otterbein Site

An additional impact and potential site is the Otterbein Development at the intersection of Ohio Routes 741 and Route 63 which could increase the housing and commercial development of this part of the County.

G. City of Waynesville/Corwin/ Wayne Township



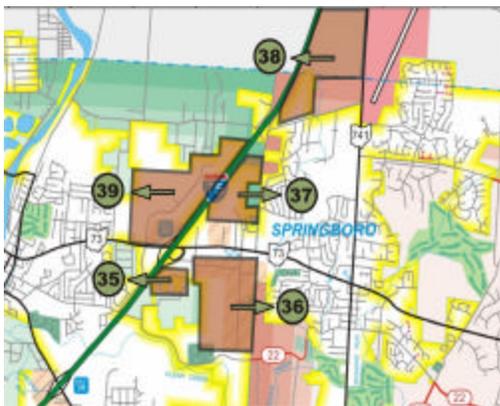
Waynesville Commerce Park

This part of the County is highly rural and agriculturally based. It also, however, has a strong recreational/tourism orientation with its proximity to Caesar Creek Reservoir and Park. It has less access available by potential employees due to its location although Ohio State Route 73 is relatively accessible to both I-71 as well as to I-75 through Springboro. The City of Waynesville is primarily a retail oriented community with small niche shops and restaurants. The communities of Waynesville and Corwin have reasonable access to Lebanon via US Route 42.

The Waynesville Commerce Park is approximately 6 miles west of I-71 on Ohio Route 73, an E/W corridor between I-75 and I-71. The site is relatively small and access could be improved due to its current location on a curve in Route 73. The site could accommodate one to two large parcels or a number of small parcels, which could be marketed to either agricultural based business or tourism based business. Either would be a logical progression of surrounding activities.

H. Springboro/Clearcreek Township

This area of the County provides the greatest potential for both conflict and development. There are factions within Clearcreek Township that are antigrowth while the City of Springboro embraces the concept and reality of growth. The eastern part of the Township is highly rural while the northwestern portion, Springboro, has developed its own business parks both individually and with private developers to create the potential for mixed development activities. The community is tied quite closely to the Dayton metro area and sees much of its growth coming out of Dayton.



- 35- Commercial Way
- 36- Stolz Industrial Park
- 37- Springboro Business Park
- 38- South Tech Business Park
- 39- Franklin Commerce Park

Springboro has an independent feel and they want to be in control of their own destiny. As a result, they have a heightened interest in maintaining an inventory of Business and Industrial properties for future growth potential. One of the main reasons is that their operating revenues for the City are primarily derived from a local income tax (roughly 75%) so they want to be assured that the employers coming into the community are reasonable to above average in the income paid to its employees. (Median family income for Springboro is \$77,000) The community is oriented towards office development, more specifically the Medical

Services Industry. Over the past few years they have experienced a downturn in their economy due to a relatively high concentration of automotive suppliers, generating a surplus of vacant industrial buildings that are currently on the market. These buildings could be considered a priority for the Warren County Office of Economic Development to work on a fast track format with companies that are willing to look at existing spaces instead of new build options.

Commercial Way, Stolz Industrial Park, Springboro Business Park and South Tech Business Park are all in relatively good to excellent condition. Both Commercial Way and Stolz Industrial Park are more traditional manufacturing sites with some available buildings and sites still available. Springboro Business Park and South Tech Business Park are both new build options and strategically placed with potential visibility from I-



Red Lion Site A



Red Lion Site B

75 and relatively good access. South Tech Business Park is of specific interest with its proximity to the Dayton-Wright Brothers Airport on the north side of the community. Access to the site has the potential to be improved with the proposed construction of a new off ramp from Interstate-75 onto Austin Road just north of the site located in Montgomery County. This new access could open up more property in northwestern Warren County and spur additional industrial and commercial growth. The community seems willing to work with the County on both its marketing and promotion efforts and could be another opportunity to create a positive entry point into Warren County.

Another potential, albeit controversial, location that should be further reviewed over the long term is the intersection of Routes 123, 122, and 741 (Red Lion). It has reasonably good access from I-75 and is central to the northwestern part of the County. It also can easily draw employees from multiple directions including Butler County. The only problem identified is the desire of Clearcreek Township not to foster further growth anywhere in

the Township.

I. Carlisle/Franklin/Franklin Township

This township is roughly split in half by I-75 and has excellent access throughout. Both Carlisle and Franklin are long time industrial communities with older manufacturing facilities in place and have no visible concept of targets or desires to accomplish either change or redevelopment. Both have made recent overtures to the Warren County Office of Economic Development to be more active in their recruitment.

The City of Franklin has a relatively new business park along I-75 (privately held – Franklin Commerce Center) and of the two communities has the greatest potential for growth as a result.

The Parks in Carlisle are small and designed for small users (under 5 acres, Carlisle Business Park and Carlisle Industrial Park) and access is restricted. Their potential seems best suited for home grown or locally expanding businesses that are familiar with the community and area. Neither of Carlisle’s current properties have room for any substantial expansion nor have they identified any additional potential properties for development.

The Shaker Industrial Park, Franklin Industrial Park and the Franklin Interstate Park sites in the City of Franklin are all highly accessible as well as visible from I-75. Franklin Interstate Park is an older park and is mixed use in nature with some property available. Both Shaker Industrial Park and Franklin Industrial Park are newer in time frame and are both potentially quite developable with additional services being made available.

J. City of Middletown



31- Middletown East End

The Middletown East End site could and should have an emphasis on Bio and Life Sciences due to the location and construction of a major hospital complex at the site. This site has great potential for further development with services extended by the City of Middletown and its location, which is highly visible on I-75. Warren County should consider this one of the prime sites to develop and market. There is virtually no downside with all utilities in place and the employment being delivered from both Warren and Butler Counties with a significant portion of the future tax base

coming to Warren County with virtually no expense. In addition, with road and interchange improvements underway on Ohio Route 122 at Interstate-75, this construction will significantly improve the marketability and access to this property. Another access point for consideration is the potential connector between the Middletown East End site and Route 63 in Monroe along Union Road. This would have the potential of providing for a frontage road along Interstate-75 linking four of the highest developable sites in Warren County and providing an additional corridor to spread traffic further and ease congestion.

III. AGRICULTURAL RESOURCES

There are areas throughout the County that will continue to be valuable to the agricultural industry. Primary agricultural areas include Harlan, Salem and Massie townships. These townships hold large tracts of land and are not easily accessible for industry or residential growth at this time. Infrastructure is limited as well, further restricting the level and type of growth found in other areas of the County.

There are three other townships that also have significant value left in their agricultural properties: Washington, Clearcreek and Wayne Townships. While the infrastructure is better in these three townships, there are still large areas in each that are void of any potential development for years to come due to the lack of major infrastructure improvements.

IV. SITE RECOMMENDATIONS

High priority should be given to those properties where the County has some or significant control in the development process. Based upon the review of both supplied data and visual inspection, Warren County should invest time, effort and resources in the development of the following properties.

A. Middletown East End

This site has the highest potential for development with minimal cost to Warren County. The utilities are being supplied by the City of Middletown for the development of the Medical Center and any additional development can tap into those resources. This site has high visibility from Interstate-75 and with the current investment in the Medical industry is best suited for both Research oriented operations in Bio and Life Science and the manufacture of related supplies in the Bio and Life Science industry.

B. Kingswood Centre

This site is critical to the continued growth of the southern part of Warren County. It is one of the few sites along Interstate-71 that has great potential for future development. Its visibility is one of the highest and its location is strategic to the overall marketplace. While we have identified it as one of the most important development sites in Warren County, it is in need of some major improvements to become successful in its development. The primary detriment to the site is access from the Interstate. A plan must be put in place to link this site with the proposed Western Row intersection improvement plan. This access is critical to the success of this site.

C. Shakerland Industrial District, Corridor 75 Park

These two sites represent two of the largest tracts currently available in Warren County. In addition, both sites are served with active railroad access making each prime for both heavy and mid-level manufacturing operations. Both sites lie quite well and have excellent access to Interstate-75 for both goods and employees. Utilities may be an issue as to size and availability of gas, sewer and communications. However, these are both sites where the County should seriously consider investing resources to make them available for development for the creation of jobs and an increase in the tax base. These sites are best situated to those industries needing both truck and rail capabilities: Plastics, Chemicals, Advanced Metals, Automotive and Distribution.

D. North Mason Industrial District, 42 North Commerce Park, Lakewood Commerce Center, Mason Enterprise Park

In coordination with the City of Mason, the County should assist in the development of these sites. They have great potential due to access, infrastructure and the availability of rail to these sites. While the County may not take the lead in the development of these sites (being in the City of Mason), they should at a minimum support and potentially fill gaps where necessary to assist in the eventual build-out of the properties. These sites would be best suited to serve the needs of the Chemical, Plastics, Automotive and Advanced Materials Industries.

E. South Tech Business Park

Springboro's site is in a prime location catering to two major market influencers, Dayton and Cincinnati. It also has the benefit of being in close proximity to Wright-Patterson Air Force Base. This community should be directly assisted by Warren County Office of Economic Development to take advantage of the growing connectivity of the metro areas and to provide alternatives to the supply capabilities that this location can offer to both industrial bases. The community has identified the desire to bring in Bio and Life Science activities as well as Aerospace suppliers into the community due to the location of the Dayton-Wright Brothers Airport at its northern border. The community has also had a long history with the Automotive industry and this could again be revisited due to the availability of existing vacant facilities in the community.

F. Lebanon Commerce Center & Expansion, SR 123 Industrial District, UC Partnership Campus

These sites represent the future expansion of the City of Lebanon's industrial and business base. With a greater emphasis being placed by the City on economic development, the County's responsibility will be one of support rather than a lead role. However, SR 123 Industrial District will need upgrades to the infrastructure and zoning controls if it is to continue to be a viable site for future Business and Industrial development. Also, the UC Partnership Campus could become one of the premier sites in

southeast Ohio if both the County and the University of Cincinnati invest the correct resources into the property as a potential research facility. In either case, the County must step up and invest in the resources and zoning regulations to preserve these properties for future employment and tax generating activities.

Lastly, the **Lebanon-Warren County Airport Site**, while not on the original list should be one of the priority investment areas of the County to bring in Aerospace and related industry to the County.

V. SECONDARY SITES

There are a few other sites that deserve mention for long term development activities: the Waynesville Site, the Dallasburg Site, the Otterbein area, and the Red Lion intersection. While the Waynesville site's access is slightly remote, its potential is good. The markets that seem to fit the community could involve business or industry related to the tourism arena where Caesar Creek Reservoir would play a factor. The Dallasburg Site in the southern part of the County could potentially host a large user that wants to be isolated from view and scrutiny in a less populated area. The Otterbein and Red Lion sites have reasonably good access and are well centered to the general population of the region.

VI. DEVELOPMENT PRIORITIZATION

The prioritization of importance for development based upon our overall review of all of the factors known at the time of this Phase I Report is as follows:

1. Middletown East End
2. Kingswood Centre
3. Shakerland Industrial District, Corridor 75 Park
4. North Mason Industrial District, 42 North Commerce Park, Lakewood Commerce Center, Mason Enterprise Park
5. South Tech Business Park
6. Lebanon Commerce Center & Expansion, SR 123 Industrial District, UC Partnership Campus

VII. OVERVIEW OF PRIMARY DEVELOPMENT TRANSPORTATION CORRIDORS

As part of the overall plan to systematically develop Warren County in a logical and managed process, review of how business and employees transport their services and products and how employees access their companies should be conducted. One of the tasks of this analysis is to identify those primary arterial roads and connectors needed to provide a seamless transportation system to serve Warren County.

Of course, the obvious Primary Routes to be considered are the three major corridors serving the county: Interstate-71, Interstate-75 and US Highway 42. These three highways provide the core of access throughout the County, both Interstates for through traffic and US Route 42 for the dispersion of traffic in the center of the County. The primary arterials are equally important for providing access in and out of the communities and County for both commerce and general traffic. The condition and location of these routes is important to both businesses and employees because they can dictate the time spent in transit versus time spent in a more productive activity, whether at work, at home or delivering a product. As seen in the Table below, there is a significant percentage of automobile traffic located within Warren County. While the below data is dated (most current available), the statistics still indicate that there is a large segment of the population that uses the primary roads to access work, recreation and general use throughout the day. If the general growth that has been identified over the last six years is any indicator, these statistics will continue to increase both inside the County as well as receiving additional pressure from outside the County.

Means of Commuting to Work & Mean Travel Time in the OKI Counties, 2000

County	Drove Alone	Carpooled	Public Transportation	Walked	Other Means	Worked at Home	Mean Travel Time
Butler County	134,970	14,546	1,514	4,244	1,034	4,006	23.0
Clermont County	74,655	8,781	970	873	579	2,514	28.2
Hamilton County	314,252	38,717	19,959	11,670	2,614	11,253	23.0
Warren County	65,807	6,570	587	697	301	2,586	24.1
Boone County	37,661	4,505	507	416	273	1,145	24.4
Campbell County	33,870	4,872	1,543	1,232	301	1,002	23.9
Kenton County	61,509	8,398	2,552	1,635	512	1,563	22.9
Dearborn County	18,857	2,661	108	336	194	555	30.5

Source: Census of Population and Housing, 2000: SF3
 Prepared by OKI (June 2002)

The Primary Arterials that have been identified do two things in the County: they provide a corridor for business and industry to move their products and services in a timely and efficient manner, and; they provide the employee and general citizen key routes to both work and play. The Routes identified in this analysis include Ohio Routes 48, 63, 73, 122, 123, 741 and Warren County Routes 7 and 33. These identified routes service over 20,000 workers entering Warren County on any given day. These routes also serve almost 30,000 residents leaving for work daily going into other surrounding counties. These same roads also serve in excess of 29,000 residents and workers on a daily basis of individuals that both work and live in Warren County. While this data is based on 2000 census information, these statistics have only grown over the last six years adding further strain to the basic transportation infrastructure serving all of Warren County.

Regional Commuting Patterns of the OKI Counties, 2000

From County of Residence	To County of Work			
	Butler	Clermont	Hamilton	Warren
Butler	90,481	1,072	47,984	11,133
Clermont	2,912	35,454	40,090	3,269
Hamilton	18,452	8,240	336,246	9,303
Warren	8,586	1,448	21,347	29,470
Boone	641	350	8,351	242
Campbell	652	579	14,946	322
Kenton	908	761	20,200	297
Dearborn	750	64	7,672	97
OKI Region	123,382	47,968	496,836	54,133

Ohio Route 48 provides direct access from Interstate-71 north and south through Lebanon and the County. It provides the primary linkage to seven business and industrial parks as well as a major thoroughfare for residents and commercial traffic. South of I-71, Route 48 becomes quite congested during certain times of the day. If it is to be used as a major collector specifically in the southern portion of the County, some modifications should be considered to further expand and better control the pace of traffic in this area.

Ohio Route 63 linked with Warren County 7 could become one the major connector routes in Warren County. Its access from I-75 to I-71 has the potential of providing an ulterior route for goods and individuals crossing the County for employment and services. This route also serves four Business and Industrial Parks within the County as well as providing direct access from both Interstates to Lebanon. Consideration should be given to the potential widening of this route to four or five lanes to handle future needs in the central part of the County.

Ohio Route 73 is a route that has the potential for additional traffic as the northern portion of the County begins to grow West to East. It currently serves five business and industrial parks and while not as critical at this time to the success of the growth of Warren County, it should be studied and enhanced over the long term as another east-west corridor allowing traffic to cross the County. Increasing its capability will further enhance the access by residents to better utilize the resources of Caesar Creek Reservoir as well as provide business access to Waynesville and assist them in achieving their growth potential.

Each of the routes Ohio 122, 123, and 741 deserve special attention in the consideration of growth in Warren County. All three of these routes have excellent access via Interstate-75 and serve a combined total of seven business and industrial parks. Each also connects the interior portion of the county with major communities in Butler and Montgomery Counties, providing access for potential employers and employees alike to

enter into Warren County for employment. These three routes also have the added benefit of intersecting at Red Lion which could become one of the major hubs in the County if the correct infrastructure and zoning is put in place to enhance its growth potential. Each of these routes should be looked at for major improvements in the short and long term. Ohio Route 123 going south out of Lebanon should also be looked at for major improvements. It is an additional connector from Lebanon to Interstate-71 and could become both a major commercial and industrial access point for both the County as well as Lebanon.

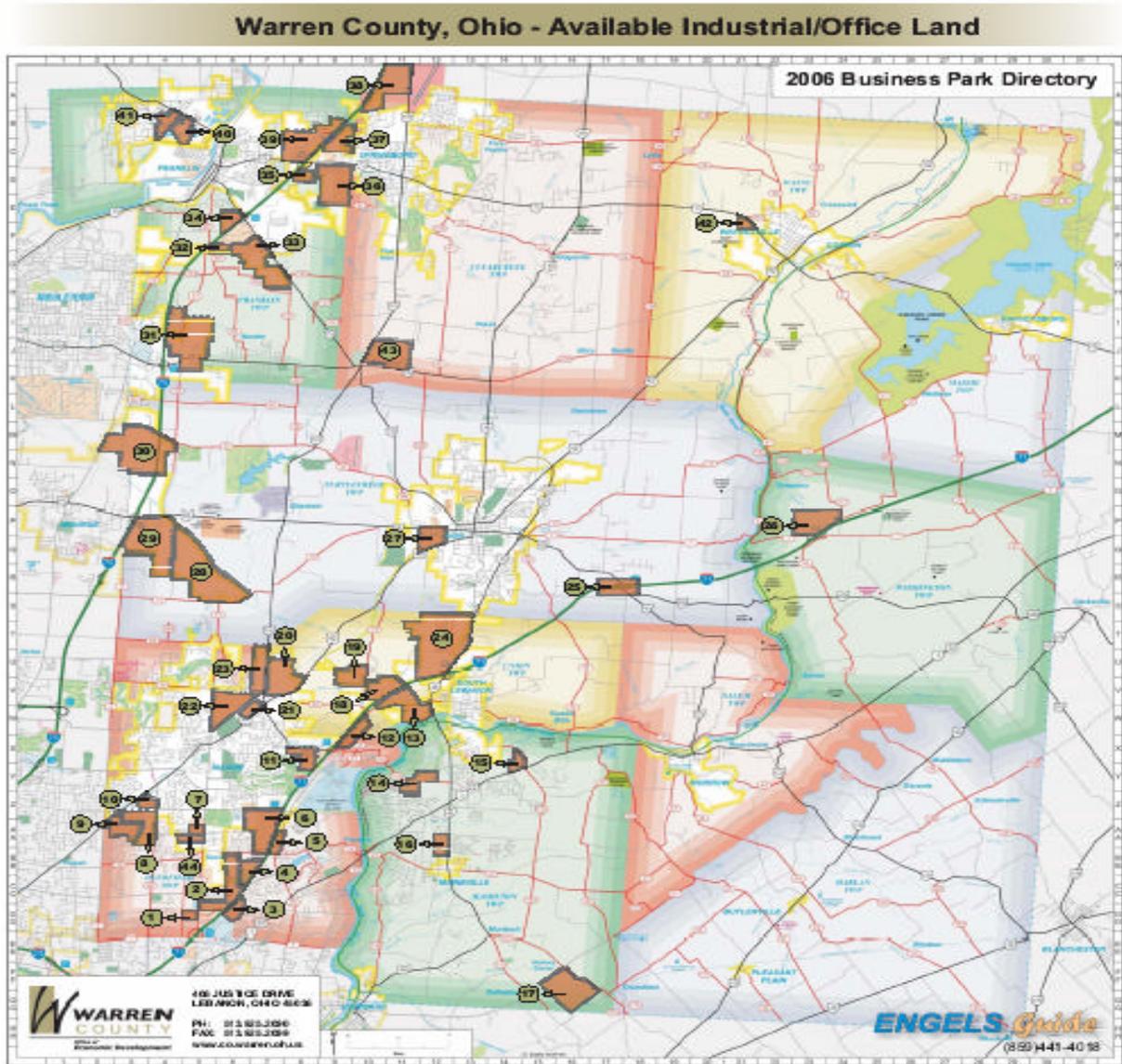
An additional potential route is Warren County 33 (Union Road) linking Ohio Route 63 with Ohio Route 122. This could be developed as a major frontage road following Interstate-75 and further easing pressure on the major Interstate. It would also provide further access for the four designated business and industrial parks that this route follows. With this improvement along with the scheduled improvements at both ends with Interstate Ramp improvements, traffic flow volumes and ingress/egress issues will be further enhanced and potentially ease traffic congestion.

Having looked at and traveled all of the aforementioned routes, we recommend that a long term program be considered for the upgrade of all routes listed above. This would facilitate the logical and controlled growth of the County through the creation of jobs and investment in the County. By providing access on these routes to the existing and future business and industrial parks, Warren County will become self sufficient and not reliant on other areas for its economic vitality.

VIII. CONCLUSION

The Phase I report is intended to lay the groundwork for the detailed analysis of each prioritized Business/Industrial park in Warren County. This initial analysis will be used to formulate potential strategies and targets that will be reviewed and expanded in Phases II and III of the complete analysis.

APPENDIX A : 2006 Warren County Business Park Directory



Business Park Directory Locator

Business Park Name	Available Acres	Contiguous Acres	Business Park Name	Available Acres	Contiguous Acres
1 → Deerfield Crossing	15	15	31 → Mason Enterprise Park	169	169
2 → Governor's Pointe	250,000SF	120,000SF	32 → Lebanon Commerce Center	345	100
3 → Waterstone	30	30	33 → SR 123 Industrial District	350	154
4 → Kingswood Centre	100	100	34 → UC Partnership Campus	400	400
5 → Kings Pointe	46	46	35 → Norgal Industrial Park	29	29
6 → Innovation Business Center	54	47	36 → Shakerland Industrial District	800	800
7 → Fountains of Mason	41	41	37 → Conford 75 Park	500	500
8 → Mason Commerce Park	7	7	38 → North Monroe Industrial District	600	600
9 → Castle Park	50	20	39 → Middletown Health & Tech. Park	300	300
10 → Tri-way Business Park	14	8	40 → Shaker Industrial Park	120	120
11 → Kings Mills Business Park	64	64	41 → Franklin Business Park	232	100
12 → Kings Mills Business Center	130	130	42 → Franklin Interstate Park	75	75
13 → Rivers Crossing	50	50	43 → Commercial Way	15	8
14 → Hamilton Twp. Industrial District	115	64	44 → Stolz Industrial Park	22	15
15 → Zoar Industrial District	60	60	45 → Springboro Business Park	50	50
16 → Maineville Industrial District	25	25	46 → South Tech Business Park	89	89
17 → Dallasburg Industrial District	400	400	47 → Franklin Commerce Center	150	75
18 → Kingsview Industrial Park	25	8	48 → Carlisle Business Park	60	60
19 → Columbia Business Park	40	40	49 → Carlisle Industrial Park	5	5
20 → North Mason Industrial District	300	151	50 → Waynesville Commerce Park	50	50
21 → 42 North Commerce Park	20	20	51 → Clearcreek Township Industrial	350	350
22 → Lakewood Commerce Center	110	96	52 → Luttrell Centre	80	80



**WARREN COUNTY ECONOMIC DEVELOPMENT
STRATEGIC ANALYSIS
PHASE II REPORT**

Prepared by:



Submitted:

September 22, 2006

I. OVERVIEW

In Phase II, The Kinnett Consulting Group (TKCG) has prepared a Strengths, Weaknesses, Opportunities and Threats (S.W.O.T.) Analysis. The analysis is designed to assess Warren County, Ohio from a corporate site selector's perspective. TKCG is a site selection service provider.

TKCG has compiled information from its own databases, research from outside sources and detailed interviews with stakeholders in the Warren County area. Those interviews were carefully selected to draw a composite of the issues and opportunities that may be experienced in Warren County as growth continues.

Those interviewed included:

- City of Middletown
- City of Lebanon
- City of Monroe
- City of Springboro
- City of Mason
- Hamilton Township Planning and Zoning
- Deerfield Township
- Warren County Regional Planning Commission
- Warren County Engineer's Office
- Workforce One of Warren County

The analysis generally assesses Warren County's prioritized business and industrial park assets and liabilities versus key economic development criteria, including key criteria for select target industry. Economic development criteria include:

- labor
- education and training
- economic development programming
- infrastructure and local services

In this assessment, TKCG also identifies critical issues, threats and opportunities based upon the interviews in the community and observations from selected community leaders and others in Warren County.

Finally, we will make recommendations as to specific actions that Warren County should undertake. The recommendations shall serve as a platform for future economic development programming and directions for Warren County.

II. SELECT FACTORS IN CORPORATE SITE SELECTION

TKCG conducted an economic development S.W.O.T. analysis for the prioritized business and industrial parks in Warren County. First, however, we will help you understand the most important factors by industry sector. Next, we will rate Warren County against each critical factor (strength, weakness or neutral).

TKCG has worked with many different types of companies on relocation-related projects. From this experience, we have identified the most important site location cost and condition criteria for different types of projects. It is important to review this information in order to better understand why select factors are critical to the success of new locations and expansions. It will also assist in determining Warren County's potential for selected target industries.

A. Manufacturing

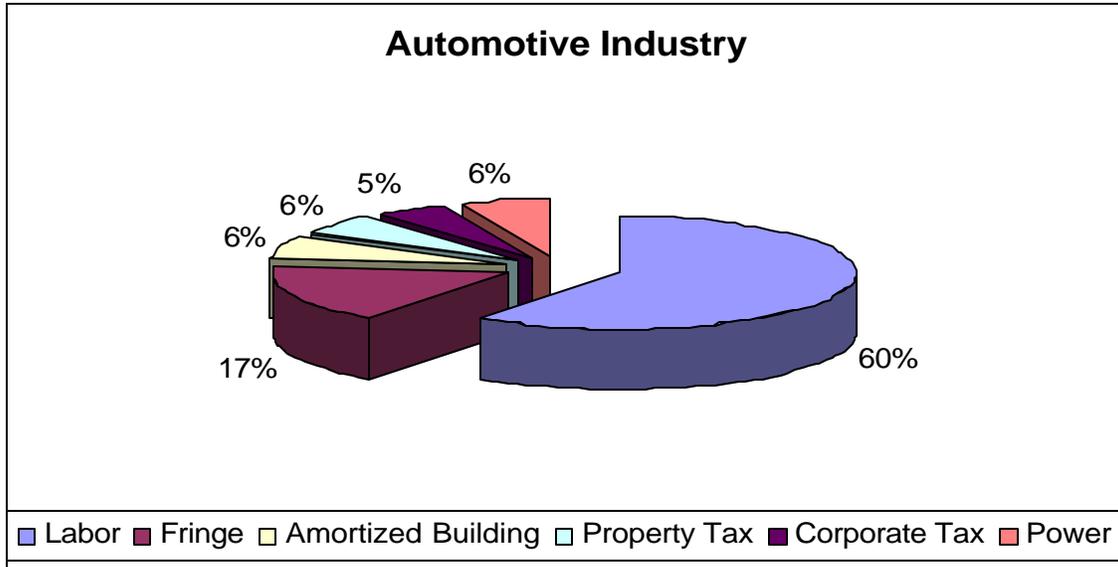
In general, labor will represent the largest single annual cost item for a typical manufacturing project. Fringe benefit costs (medical, disability, life insurance, unemployment insurance, and workers compensation insurance) will also be significant cost factors, often second or third. Market access is also critical and will determine freight cost variables.

The most critical location factors, by priority, for a typical manufacturing project are:

1. Market access (freight costs)
2. Labor skills and quality
3. Labor costs & fringe benefits
4. Unionization trends
5. Available buildings
6. Utility costs and local services
7. Business climate/taxation

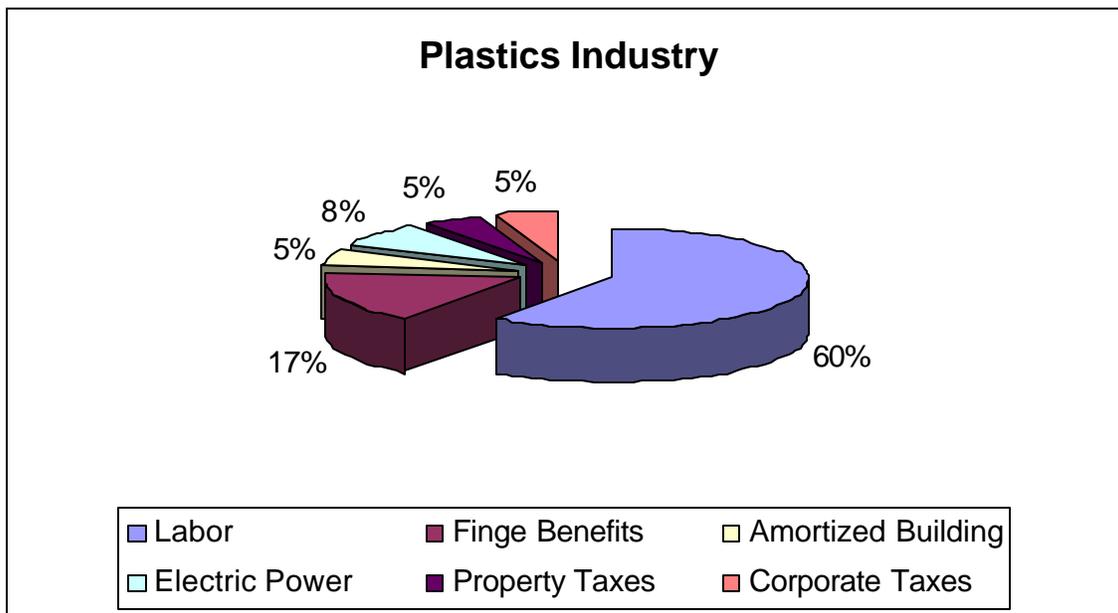
The following charts represent annual operating costs for various cluster projects (Source: JBA and Associates, Site Selection Consultants).

- Automotive Industry



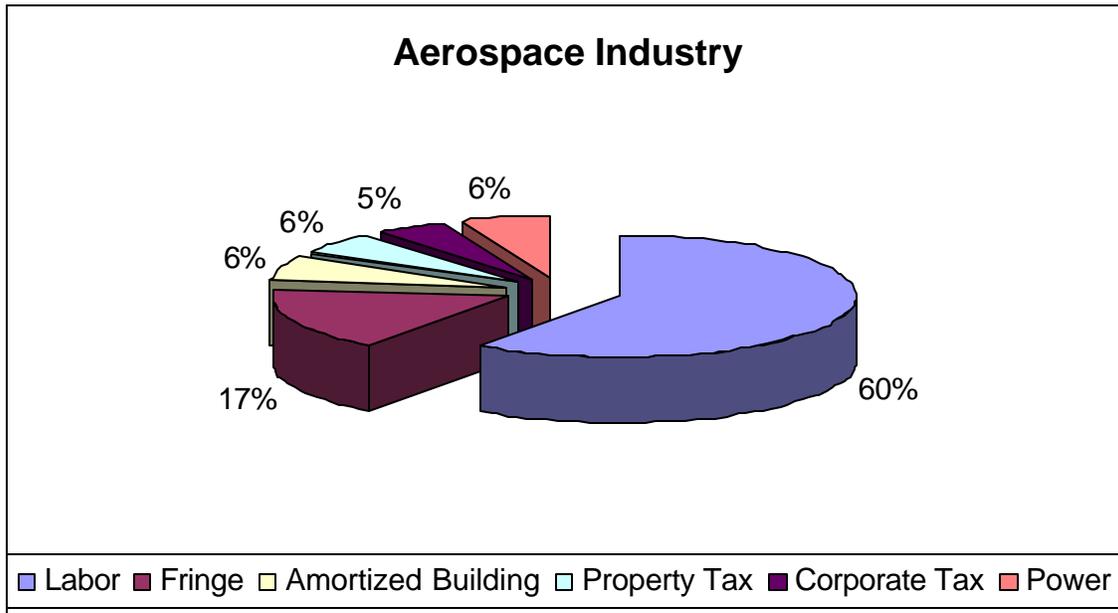
Source: JBA & Associates, Aug. 2006

- Labor is the largest annual cost component in a Plastics project.



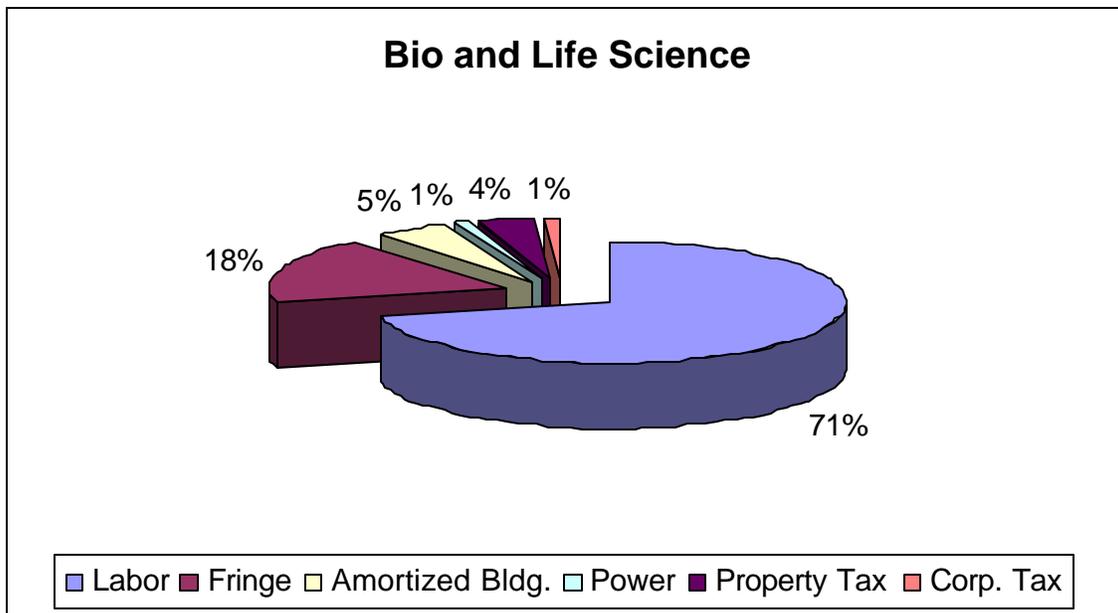
Source: JBA & Associates, Aug. 2006

- An Aerospace plant will have a much larger freight cost component.



Source: JBA & Associates, Aug. 2006

B. Bio & Life Science



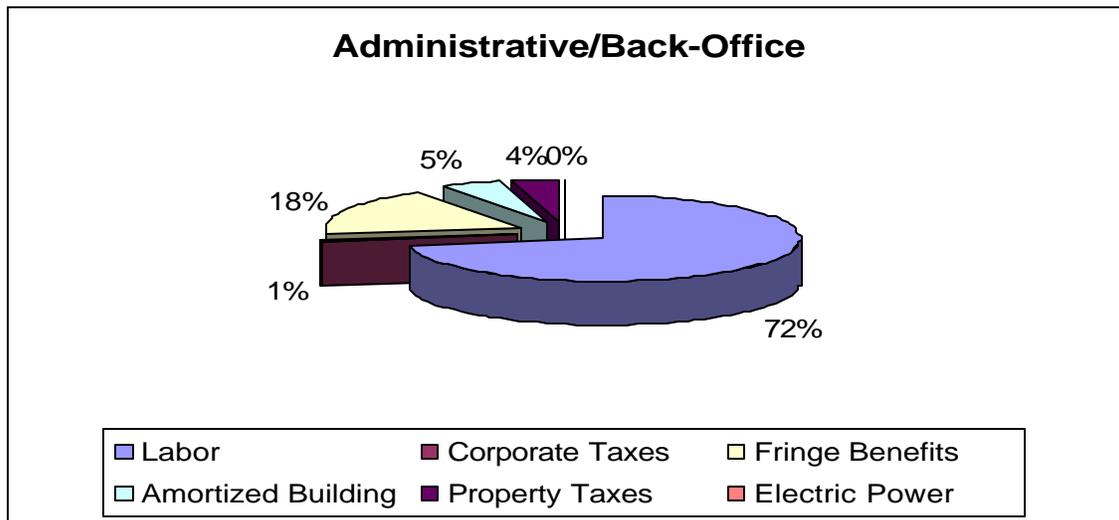
Source: JBA & Associates, Aug. 2006

C. Administrative Office/Back-Office

Labor costs and conditions are even more important for an administrative back-office function. The most critical location factors, by priority, for a typical office/back-office project are:

1. Clerical labor costs
2. Clerical labor quality, availability¹
3. Turnover
4. Absenteeism
5. Occupancy costs (Class A or B buildings)
6. Training programs
7. Available buildings
8. Ability to recruit management labor (relocation & quality of life issues)
9. Proximity to commercial air service (especially for check processing centers).

In the sample below, wages and fringe benefits represent 90% of annual operating costs.



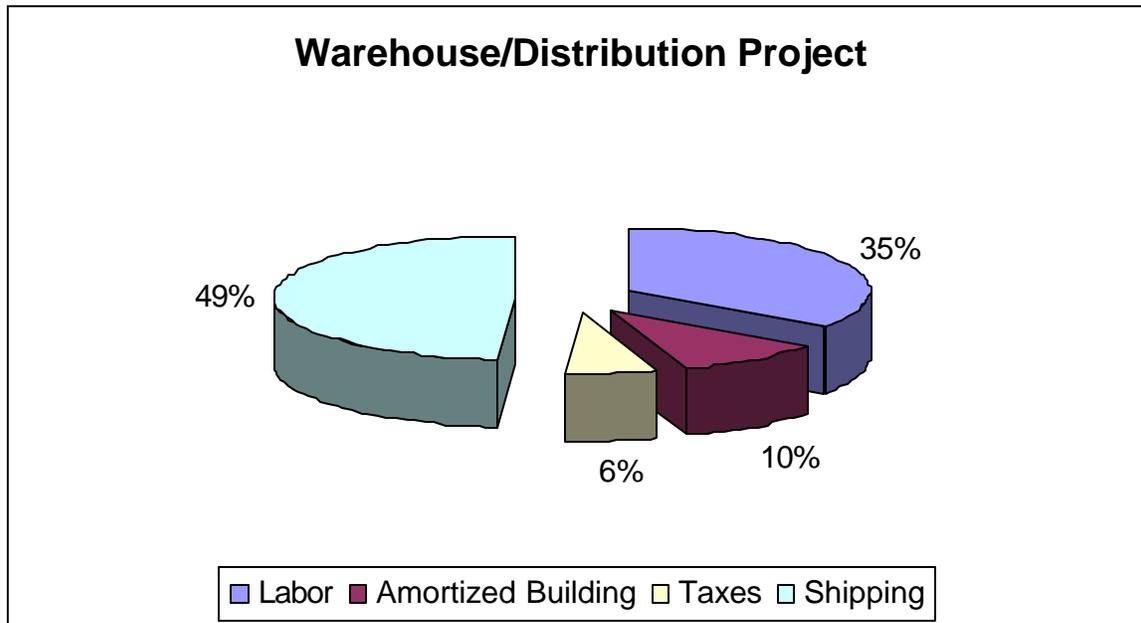
Source: JBA & Associates, Aug. 2006

¹ Companies tend to look for areas with deep pools of labor; applicants to hires of at least 20 to 1.

D. Warehouse/Distribution

Labor costs and conditions are less important for the typical warehouse/distribution project, but location of transportation infrastructure and sites/buildings is key. These projects may be quite labor intensive, but require mostly unskilled labor, and therefore labor costs are a much smaller portion of total operating costs. The most critical location factors, by priority, for a typical warehouse/distribution project are:

1. Freight costs/market access
2. Service delivery time (access to market)
3. Interstate highway access (four directions considered most desirable)
4. Available buildings (minimum 80,000 to 120,000 sq.ft.; 20-24 foot ceilings)
5. Cost of real estate (10-15 acre minimum with rail potential)
6. Labor cost, quality & availability²
7. Business climate (especially inventory taxation).



Source: JBA & Associates, Aug. 2006

² Especially seasonal workers for seasonal products which fluctuate in quantities.

III. ASSESSMENT OF SELECTED BUSINESS AND INDUSTRIAL PARKS

The following strengths and weaknesses assessment was developed as a result of field work coupled with TKCG site selection expertise.

A. Market Access Major Strength

Warren County offers excellent access to all areas of the Midwest and most of the Eastern United States. The County also has reasonable rail connections as well as two major interstates within the county. Manufacturers and processors can get their products to major marketplaces like St. Louis, Chicago, Indianapolis, Pittsburgh, Cleveland, Detroit, Atlanta and Louisville relatively quickly.

B. Transportation Strength

Warren County has great market access, and its access to both Interstate 75 and Interstate 71 are excellent. Work, however, still needs to be done in providing interior access routes connecting both Interstates as well as linking the major employment areas with primary transportation corridors. While many of the current access routes are adequate, significant improvements must be made to handle the ever increasing use of the roadways by both passenger and commercial vehicles. Overall, with the planning that is taking place and a prioritized construction program being put in place, this component seems to be correcting the issues stated above and earlier in this report.

C. Workforce Neutral

Workforce issues are now the number one priority in consideration of the location of facilities by most companies. How a community stands in relationship to that workforce will have a significant impact upon its success or failure. Warren County is in a unique situation in its relationship with its workforce. It has the lowest Unemployment Rate of its competitors in the marketplace with a 2005 rate of 4.4%.

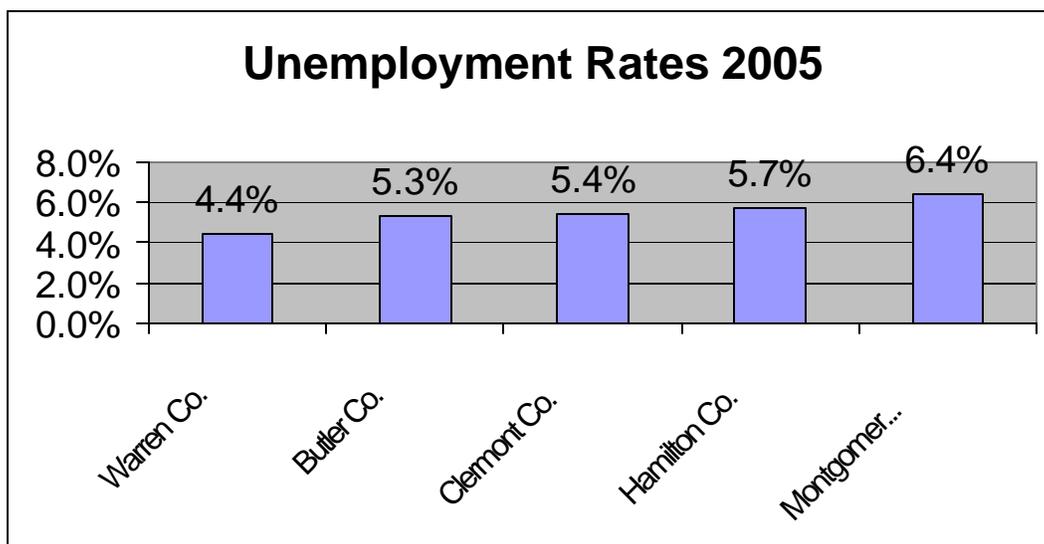
In discussions with Workforce One of Warren County, two specific issues were identified as potential problems that could have a major impact on the future development of Warren County. The first problem pertains to two primary areas, the first being the virtual full employment within the County in all of the recommended business and industry targets. This first issue was further confirmed in discussions with other Economic Development officials throughout the County. A strategy needs to be implemented to counteract the effects of full employment.

The second problem pertains to the attitudes of the workforce towards work in general. As discussed with Workforce One, there is a prevalent feeling among many of the young applicants that they expect to be given a job rather than earn it. The other component of this same issue is that of laid off and terminated individuals expecting to be employed in

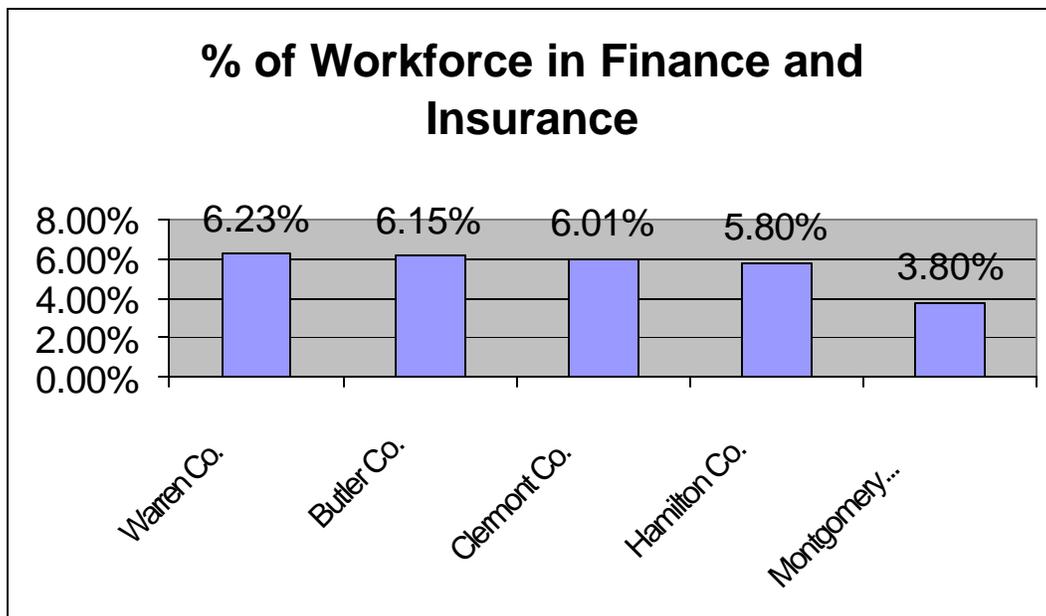
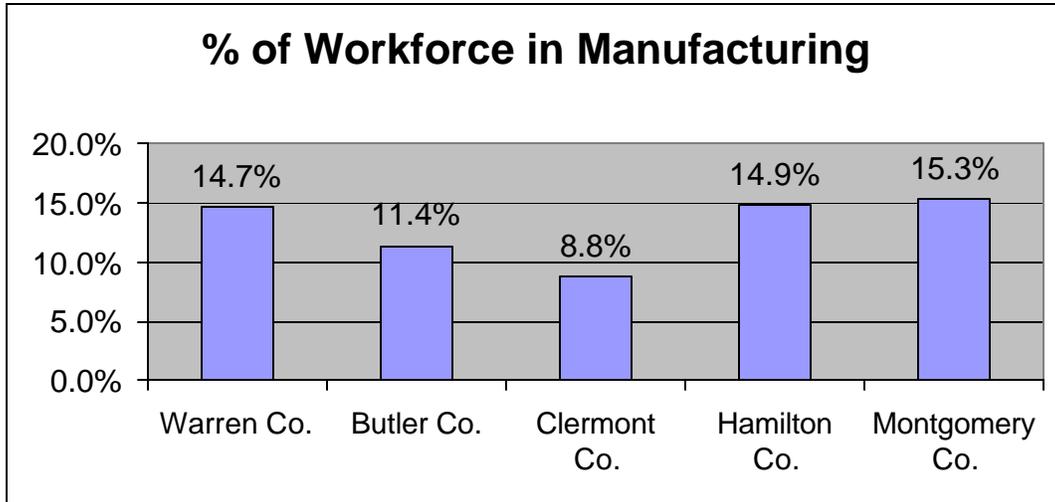
positions comparably priced to the former positions. As is being found, many of these unemployed neither have the skills to demand these high wage levels nor the personal skills to enter the types of jobs that are being recruited.

While there are programs in existence that will correct part of these issues (skill training), a better process must be implemented to address the shortcomings of the available workforce if they are to be employable. The adoption of WorkKeys by the employers, the educational community and Workforce One could provide a mechanism to match existing work skills to the needs of the employer while also identifying shortcomings in the potential employee. This program has been implemented in numerous states in the Midwest with a great degree of success and should be considered in this marketplace. WorkKeys is a process that profiles individual jobs as to skill levels, educational needs, and socialization demands among numerous other criteria. This process takes place initially with interviews of Industry and Business to catalogue all of the positions in question needing to be filled. The next step is to test individual job applicants with a series of tests that will match their specific skill sets to those positions available.

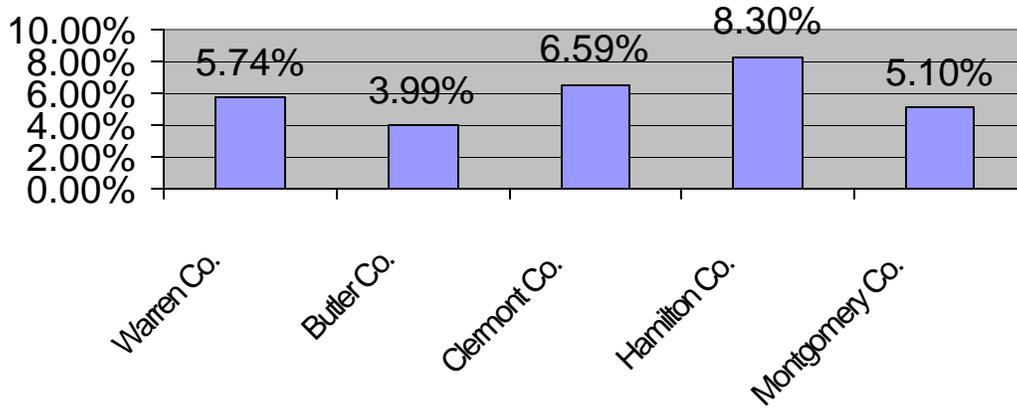
Another strategy that should be considered is the active recruitment of potential employees from outside the County. This could be handled in a number of ways including the use of Job Fairs, the provision of public transit from other population centers into the marketplace, advertising job availability in the counties to the east, and encouraging commuting as a method of addressing the shortage of certain job categories. Working with the various educational institutions in the area to design and implement an aggressive training program in the identified skills needed with significant input from business and industry to specifically identify what skill or skills are needed is another method that should be considered.



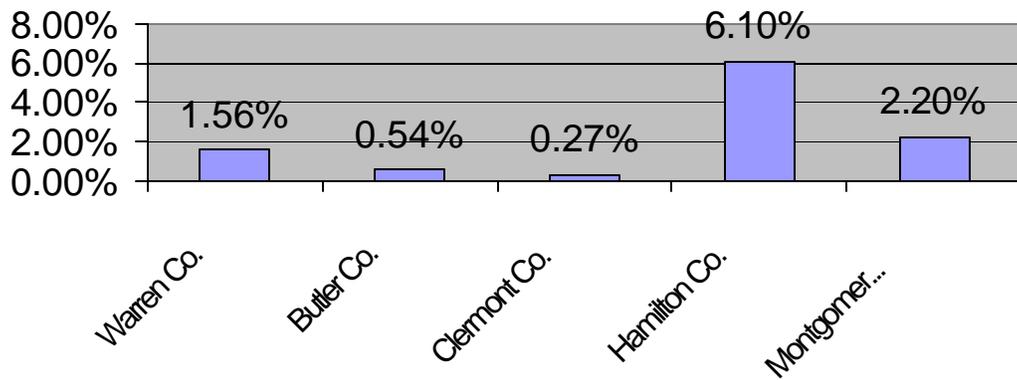
The position of Warren County's workforce in five primary categories- Manufacturing, Finance and Insurance, Professional and Technical Services, Management, and HealthCare and Social Assistance - in relationship to its primary competition is mixed.

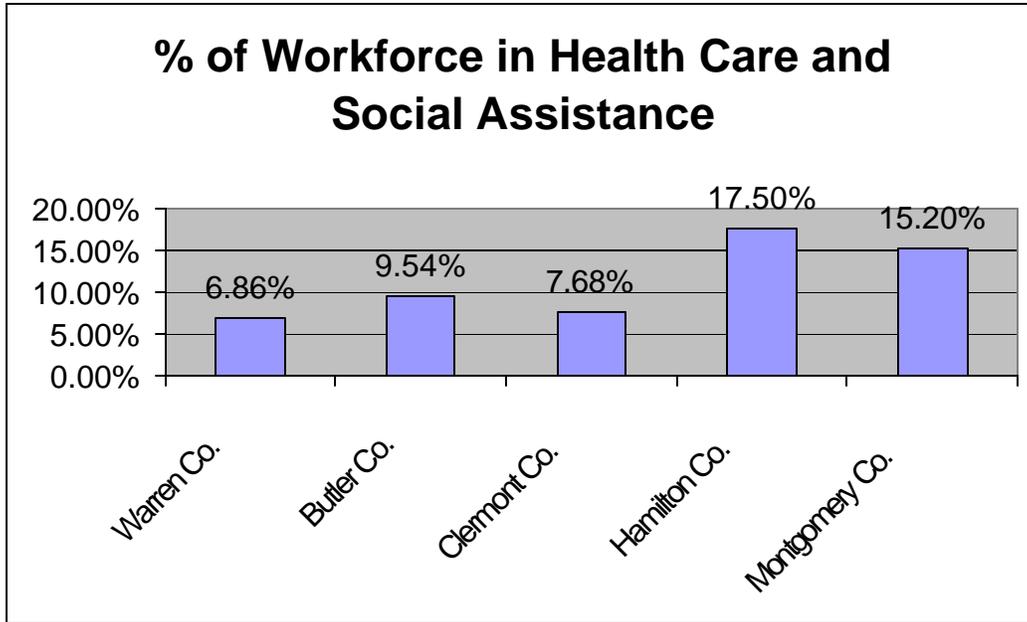


% of Workforce in Professional and Technical Svs.



% of Workforce in Management





Warren County’s workforce has a strong position in Manufacturing, Finance and Insurance and Management. However, it is behind the other counties in Professional and Technical services and Health Care and Social Assistance as a percentage of workforce found in these categories. If the County is to recruit business from these two categories, it will need to further enhance its programs to train personnel in both of these areas to have an available workforce to service these two key targets.

D. Middletown East End Site

Strengths

- The site has excellent Interstate access and visibility.
- All utilities have been brought into the site for the servicing of the anchor tenant and owner, Premier Healthcare, as well as other adjacent properties to the initial development.
- Middletown has identified this area as its new key market segment and location for its newest expansion areas.
- There is a base of trained workforce available for the initial stage of the park as a result of the expansion of the Hospital complex.
- The site is centrally located and well accessed to take advantage of drawing labor force from both the Cincinnati and Dayton markets to meet initial needs.
- The complete site is included in a Tax Increment Finance District.
- Strong commitment of the City of Middletown to continue the development beyond the basic confines of the initial site.

The concentration of medical and bio-science activities on and adjacent to the primary site fits with the focus of the City of Middletown, Warren County Office of Economic

Development and the recommendations of the Cluster Report prepared for The Cincinnati USA Partnership. The location of this property along I-75 also ties in with developments both north and south of its location in Montgomery County as well as in Butler County.

Weaknesses

- The terrain of the site could pose some problems based on the type of development to be considered for the complex. The stream going through the property limits potential uses to some degree.
- The potential traffic congestion, if not correctly designed, could become a deterrent to the effective build out and marketability of the complete area.
- There does not seem to be a plan on how to deal with or provide for potential spin-off of services and products related to the Bio-Science and Medical Industry at this location.
- There is limited funding to provide for further enhancements to either the primary site or tertiary sites that could be identified for development.
- While there are plans for improvements to Ohio Route 122 and the I-75 interchange, there needs to be a comprehensive transportation plan devised to address the long range needs for the primary and tertiary sites.
- There is a need to enhance the potential incentives available to prospective employers that are sought out by the City of Middletown as well as the Warren County Office of Economic Development.
- Even though the initial workforce of the development seems adequate, there is evidence that there will quickly be a shortage of personnel available to serve the needs of this development as well as others that identify the same cluster to target.

Most of these issues can be addressed with comprehensive long-term planning. But this planning must begin immediately to provide for changes to take place which would allow for a seamless and continuous development process. It must include coordination of services from multiple entities and governments as well as involvement by the private sector.

The other restricting factor in mitigating the weaknesses is the inability of the local governments to raise adequate resources to make the improvements once the issues and plans have been identified and prioritized. Innovative thought utilizing the resources found in the private sector could be critical to the long-term success of the identified projects.

Relative to assisting spin off development, a program should be implemented dealing with entrepreneurial activity. The establishment of an incubator type facility or an advisory group to assist start-ups in the medical and bio-science areas should be seriously considered. There are investing groups that can be identified in the metropolitan area that could assist with this activity.

Opportunities

- A greater relationship with a large and increasing industrial sector, as the population continues to age, in the area of Medical and Life/Bio-Science.
- Catering to markets including Research, Hardware Development, Manufacturing, Pharmaceuticals.
- Creation of new alliances with educational institutions that can provide the type of training and education to citizens that is cutting edge and state of the art.
- To look at this development as an opportunity to look at projects that will enhance the community by looking at their ROI to the community.
- Establish the complex as well as the community as a Center of Excellence.
- Look at this development as a potential avenue to further diversify the areas economy.

Threats

- While it is a national issue, the potential for a slowing economy must always be tracked and considered.
- Continued reductions in funding at the Federal, State and Local governments for various public based projects. (Primarily infrastructure and transportation)
- A continued and organized anti-growth initiative.
- Persistent workforce attitude issues.

Recommended Uses

Based upon ownership and the direction being undertaken by the City of Middletown with adjacent properties, this site should be oriented towards the Health Care and Bio-Science industry. With the concentration of trained health care professionals and technicians, the area is and will remain strong in the attraction of related business. These businesses could be in the form of suppliers to the medical facility itself or could become research oriented with test labs being created through the various teaching hospitals located in the region. Another component could be the identification of manufacturers and processors of medical equipment and medicines, which would well compliment the investment that is already underway.

E. Kingswood Centre

Strengths

- This site has significant Interstate visibility and is surrounded by developments on three sides.
- All of the utilities are in or adjacent to the property.
- The site is virtually level and ready to build upon for the correct development or client.

- The area surrounding the site is known for its concentration of office and high end developments.
- The site is owned by Deerfield Township which is considering the development of site use plan for the property for its best and highest use.
- Deerfield Township has no earnings tax.
- The Township could pick from a number of potential developers to handle the site's long-term development.
- Public Transportation is available in the area and could potentially serve the site.

Weaknesses

- This site, while highly visible, has no direct access to the Interstate Highway.
- The site needs improvements to the roads that will eventually serve the complex to allow for the potential volume of traffic that will work at facilities built on-site.
- Planning must be begin to address the long-range impacts of transportation in and around the area of this site.
- Deerfield Township lacks the capital to adequately develop the site.
- Current zoning is inadequate for the potential use of the site.
- The township currently has no incentives that it provides to businesses desiring to locate in Deerfield Township. At this time, it has no desire to provide incentives.

Again, as in the previous analysis, some of the issues identified here could be handled with sound long-range planning. The problem still exists that there are limited resources available to tackle the larger issues of transportation improvements and access. These are the critical issues that will make the development a highly successful one or just an average development. With regard to transportation access, the fact that the State of Ohio is planning for the improvement of Western Row as a full interchange is an important improvement to the overall access to this site. The Township will still need to create a mechanism to fund the tertiary roads needed to serve the property. Lastly, the Township needs to seriously consider the adoption of some incentives to offer a desired project or client which could facilitate the type of long-term employer that they are seeking. This could be in the form of a Community Reinvestment Area and involvement of Tax Increment Financing on this property if structured properly.

Opportunities

- This development could assist Warren County in convincing the Ohio Department of Transportation to implement the Western Row I-71 Interchange improvement project which will complete one of the steps needed in providing better access to this site.
- To focus the attention on this site as a special use site for specifically targeted projects.
- This site will continue the overall growth of Deerfield Township.
- The site could foster higher use of the regional transit system.

- The site could be a model of a Smart Growth project in Warren County.
- The site could work towards improving relationship with City of Mason.

Threats

- Perceived as reducing the amount of recreational space available in the township.
- Lack of a clear direction as to development.
- Perceived competitive stance with regard to the City of Mason.
- Potential for the Anti-growth movement.
- Potential for a softening economy.
- Workforce attitudes towards jobs.
- Complacency of the public officials toward what needs to be done to foster growth and continued growth.
- Threat of annexation by the City of Mason.

Recommended Uses

Based upon surrounding uses and the Interstate visibility, this site could have multiple uses. It would be well suited for a major office development catering to the ever expanding need for Class A office space. Another use could be for specific users in the Insurance, Service or Pharmaceutical Industry. Each of these business sectors makes use of a highly trained workforce which is already finding its way to this area. Another route that could be considered is in the Bio/Life-Science area based on the plans by Alliance Healthcare.

F. Corridor 75 Park/Shakerland Industrial District

Strengths

- Excellent access and visibility to Interstate 75.
- Level terrain.
- Private developer negotiating on property for specific development.
- Limited cost incurrence by Warren County.
- Good access to area-wide workforce.
- Rail service is available to both sites.
- All utilities are in place and are adequate for development.
- Property is set up well for warehouse distribution and manufacturing.

Weaknesses

- The type of interchange for the volume of potential development and traffic for located at the interchange.
- The current use of some properties in vicinity of the sites.
- The overall congestion of traffic during certain time of the day.
- Proximity to jail facilities and their image and stigma.

- Availability of local trained workforce.
- Lack of available incentives for prospective desired clients by the City of Monroe.
- Alternative transportation routes to service the properties.
- Lack of appropriate incentives to be provided to identified potential clients by Warren County.

Proper planning is again the critical factor in alleviating the issues of traffic, land use and general transportation. The issue of the jails and other land use issues do not pose a real threat to the successful development of these properties. The issue of incentives is a constant one, and there is no easy answer. There should be, however, serious consideration given to the establishment of an effective incentive package developed by both the City and County.

Opportunities

- The potential for the addition of adjacent properties for future development.
- With the development of these business and industrial parks additional impetus will be put on the Ohio Department of Transportation to complete the high speed interchange being planned for the I-75 Ohio 63 interchange.
- With the potential development at these two sites other changes in existing land use could and should take place in this area.
- This development area should also spawn improvements in adjacent transportation corridors to provide ancillary arterials to take pressure off of I-75. This includes Ohio Route 63 and Union and Cox Roads in Warren and Butler Counties.
- The location at this interchange provides for excellent access to both the Cincinnati and Dayton markets for further expansion.

Threats

- Downturn in US and regional economies.
- The impact of the anti-growth movement.
- Based upon the type of development for these sites being oriented towards warehouse/distribution the cost of fuel may be an issue to follow.
- Competing interests between Warren and Butler County.
- Potential workforce attitudes towards jobs.

Recommended Uses

These sites are truly industrial in nature and are well suited for use as big box distribution/warehouse or manufacturing. (light and heavy) Based on the regions targets, the sites could be used by rail oriented users such as Plastics, Pharmaceuticals, Medical Equipment, Automotive, Chemicals and large catalogue supply operations.

G. North Mason Industrial District

Strengths

- These four sites have great potential for rail access.
- All utilities are at each of the sites and ready for access.
- All of the sites are accessed by state and local roads leading to both I-75 and I-71.
- Each of the four sites is zoned for industry and manufacturing.
- There is significant flexibility in the development of each of the respective sites.
- The sites are highly suited for manufacturing both light and heavy.
- Good access to the labor force in the multi-county area.
- Sites are adjacent to potential expansion properties that could be easily accessed.

Weaknesses

- The sites have no direct access or visibility to or from either Interstate.
- Some of the sites have some issues dealing with terrain and significant drainage areas.
- The roads servicing the sites need to be further upgraded and expanded to handle additional business traffic.
- Funding availability for road and other infrastructure is inadequate.
- Need a structured incentive plan for the Community and the County.
- Available and affordable workforce.

Nothing can be done with the visibility issue concerning the Interstates. However, signage could be a simple answer on major routes leading to and from those Interstates. Like other communities and sites, the issue of infrastructure funding remains to be the primary one. The potential answer could be the establishment by the County of a low interest infrastructure loan fund or a matching fund that could be used to finance portions or all infrastructure improvements. Also, the incentive issue continues to be a discussion item and additional recommendations will be made concerning these in Phase III of this analysis.

Opportunities

- Has the potential of diversifying the local economy.
- Could further expand the manufacturing base of the northern part of the community.
- There is additional property that could be identified as expansionary areas for the community's industrial base.
- Could be identified as a Center of Excellence.
- Could further strengthen the City of Mason's relationship with Warren County.
- Could be a caveat to expand the City's boundaries.

Threats

- Potential problems with annexation issues.
- The impact of anti-growth movement.
- Potential competition with Deerfield Township.
- Potential for reduced funding for infrastructure products from the State and Federal Governments.
- Area workforce attitudes towards jobs.

Recommended Uses

These four sites have potential for use in the manufacturing area. With the potential for rail service, they are well suited for mid-sized manufacturing. The targets identified for this area include Bio-Science in the form of medical equipment and related medical devices, pharmaceutical, plastics, chemicals, steel and advanced material manufacturing and fabrication.

H. Lebanon Commerce Center Expansion

Strengths

- The site has a high visibility and access from I-71.
- There are adjacent properties that can provide expansion capabilities for the current park.
- The properties are highly suited for the manufacturing sector.
- The developability of the expansion area is flat and conducive to immediate use.
- All utilities and infrastructure are in place for immediate use.

Weaknesses

- While there are adjacent properties, they are limited in scope and size. More properties need to be identified for future use.
- There is limited access to dollars for infrastructure development.
- The terrain of the expansion area is a problem for the complete property.
- The expansion property is not well identified and could use better signage.
- There is a lack of effective and usable incentive programs for potential clients.
- There is also an issue of available and affordable workforce for new jobs coming into the area.

The community needs to identify additional property near the Interstate to develop as industrial and business related property. In addition, better signage needs to be put in place to direct potential clients to the properties identify as key development areas. Again the issues of funding of infrastructure and incentives continue to rise as key needs. Both will be addressed in Phase III of this report.

Opportunities

- The potential for the expansion of the overall business park area.
- Diversification of the local economy.
- Greater coordination with Warren County in the development process.

Threats

- Limited dollars for acquisition and preparation of business and industrial areas.
- Downturn in the overall economy.
- Potential conflict with other competing entities.
- Issues with attitudes of workforce concerning jobs.

Recommended Uses

This is an extension of the current Lebanon Commerce Center and as such should be a continuation of the type of development that is already there. The current use is that of manufacturing and mid-sized distribution and processing. This is truly a mixed use development from the perspective that there is no one theme as to the current tenants. This site should continue to be developed as a multiple industry business and industrial park.

I. Springboro Tech Park

Strengths

- The park will have a new direct access to I-75 via the Austin Road Interchange.
- The site has excellent access to the Dayton marketplace as well as good access to the Cincinnati marketplace.
- The Tech Park has excellent access to the Dayton Wright Brothers Airport.
- All appropriate utilities are currently in place and available.
- The Park is owned by the City of Springboro and is self sufficient.
- The area has excellent access to the Dayton area workforce.

Weaknesses

- While there are plans to construct a new Interchange, there is no direct access at this time to I-75.
- It can be difficult to get to the site through traffic.
- The area is closely tied to the automotive industry which has been declining.
- There is a restrictive nature to the incentives that are in place in the community.
- Need to consider the establishment of a County incentive program.
- There are issues pertaining to the availability of an affordable workforce.

Timing is an issue pertaining to access of the property directly from the Interstate. This is scheduled for 2010. In the meantime, marketing should proceed as if it were there. While the community is primarily interested in working only with businesses with significant payrolls, consideration should be given to the establishment of a rebate program involving the income tax collection as an incentive for the attraction of desired companies to locate there. Other incentives could be included such as the adoption of CRA and TIF among other items.

Opportunities

- Can take advantage of the expanding medical services industry for development.
- Has the potential to access the key markets of Dayton and Cincinnati.
- Springboro has the opportunity to consider along with Warren County a new program delivering a quality incentive system that can be used to entice new employers to the County.

Threats

- Continued downturn in the automotive market.
- Downturn in the general economy.
- The continued growth of the anti-growth movement.
- Workforce attitudes pertaining to job growth.

Recommended Uses

This park is central to the aerospace industry and as a result should look in this direction for potential clients for the park. They are also in close proximity to the Middletown Medical Complex and could take advantage of this development to locate Bio/Life-Science type projects. With the site's visibility general office could be another component to look at with a specific developer.

J. U.C. Site and Ohio 123/I-71

Strengths

- Excellent access and visibility to Interstate 71.
- The sites are flat and easily developable.
- There is availability of additional property for development at both sites.
- University of Cincinnati ownership of one of the sites.
- Site tied to Education.
- Each of the tracts is large.

Weaknesses

- There is a significant lack of adequate infrastructure to either of the sites.
- There is a need to control the integrity of both sites by use of zoning and land use mandates.
- The ancillary roads leading to the sites need to be upgraded to provide additional ingress and egress.
- Determination of potential uses for both sites.
- Current deterioration of the integrity of existing sites.
- Current distances from existing workforce concentration areas.
- Availability of a workforce.

Land use issues are key to the successful development of both sites. The County must implement strong land use requirements on these sites and the surrounding areas to maintain the future integrity of these sites. The County must work with the State of Ohio to identify potential funding sources to provide the needed infrastructure to these sites. One source could be U.S. Economic Development Administration to fund the utility extensions to both of these sites. Another source could be REC&D (formerly USDA) to fund some of the infrastructure improvements to both sites.

Opportunities

- There is adequate room to expand greatly the sites if there is a need.
- The sites could be developed with multiple uses in mind.
- Provide a rationale for the protection of the proposed land use.
- The U.C. property has potential use as a research park.

Threats

- Potential downturn in the national or regional economy.
- Lack of funds for future infrastructure and site improvements.
- The expansion of the anti-growth movement.
- The potential deterioration of potential land use.
- The emergence of workforce attitudes.

Recommended Uses

These sites still have some time before a major development would take place. However, both have great potential for both manufacturing and research respectively. The Route 123 site is suited to handle large volumes of truck traffic from Distribution and manufacturing activities. This site could also be used as a multi-target industry site for various users. The U.C. site could be well suited for a combination of research and processing/manufacturing based on potential research coming from the site. An additional use could evolve into a quasi-teaching facility based upon research-oriented

activities. This site could also have a component as a center for entrepreneurial activity, thus supplying a potential source for future growth companies and products.

K. Zoar Site

Strengths

- The site is privately controlled in coordination with Hamilton Township.
- The site is zoned for industrial use.
- The site has good access to the area workforce.
- The site has good proximity to commercial and recreational facilities.

Weaknesses

- There is restricted interior access for getting goods in and out.
- There is heavy congestion in the immediate area.
- The site is near numerous residential neighborhoods.
- Needs to identify potential resources to identify potential incentive packages.
- There are numerous obstacles to effective growth including multiple road connections and terrain.
- Lack of revenue to fund public related projects.
- The cost of utility connections and who will fund the extensions.
- The creation of impact fees.
- The lack of any major access route to serve the property.

Transportation is the critical issue to the success of this site. The Township, along with the County, must identify a corridor that can be constructed relatively easily and that can provide the adequate volume of traffic that will readily serve this property. These sources will in all likelihood be the Ohio Department of Transportation and possibly a Transportation Enhancement Grant from the US Department of Transportation. Another issue may well be the consideration of the imposition of Impact Fees for business and industry. This could prove to be a huge negative relative to the developability of the site and could virtually price it out of the market. Reconsideration should be given to this concept before it is finalized.

Opportunities

- The potential to correct the current traffic congestion issues in and around the Hamilton Township area.
- Potential to use current land use as an asset.
- Redesign objective to assist in the continuation of the recreational industry in Hamilton Township.

Threats

- That there will be nothing done to curb the congestion of the area.
- Continued heavy competition with the housing industry.
- The continued emergence of the anti-growth movement.
- A downturn in the national and regional economy.
- Changes in workforce attitudes.

Recommended Uses

This site, while currently difficult to access, could be used for manufacturing and service-oriented companies. Some suggested potential users could be suppliers of equipment and services to the entertainment industry due to its proximity to Kings Island, The Beach, and other entertainment related operations. It could also provide locations for nearby companies such as Procter and Gamble, Alliance Healthcare, Anthem and Cintas.

IV. SUMMARY

As noted throughout this analysis there are numerous opportunities for Warren County to become the catalyst and partner in some very dynamic developments. The sites and areas recommended in our review are competitively strong sites and should be the primary focus of both development assistance and marketing by Warren County. The challenge is to prioritize where either the investment and/or partnering will take place. In addition, this partnership can take many forms, ranging from something as simple as zoning and land use determinations to investing in major road and access improvements. We have identified in the analysis a number of recommendations to consider pertinent to each of the selected sites and areas. These all should be considered a priority for involvement.

Two items during our review and research continued to rise to the surface as to where the County could be of the greatest assistance. They are in the areas of:

- Partnering with access improvements (roads); and
- The creation of an incentive program to match what can be done at the local level

The access issue relates back again to the prioritization and the specific needs of the independent sites and areas themselves. In this analysis the prioritization is consistent with what was suggested in Phase I. These areas are still the primary focus in the order presented with the addition of the Zoar site in Hamilton Township. The incentive package recommendations will be reviewed and presented in Phase III of this analysis as well as a methodology on how to access the various clusters and how the identification of potential clients should be achieved.



**WARREN COUNTY ECONOMIC DEVELOPMENT
STRATEGIC ANALYSIS**

PHASE III REPORT

Prepared by:



Submitted:

October 31, 2006

I. OVERVIEW

Phase III of this analysis draws all of the previous components together and establishes a mechanism to achieve success using a number of different tools. In this portion of the report, we will provide materials pertinent to each of the various clusters suggested to identify key attributes and trends found in each category. We will also identify existing and potential incentives that might be implemented in Warren County to further strengthen the County's position in the economic development process. Lastly, we will provide an implementation plan that could position the County for the strategic growth it desires.

II. CLUSTER PROFILES FOR THE WARREN COUNTY MARKET

The following segments, highlighting the identified clusters, contain excerpts from various articles and studies. They should be used as reference points to determine specific nuances for each of the clusters as marketing and project packaging take place. These articles and studies also identify potential companies, geographic regions and products that can be targeted for locations in Warren County.

A. Biotechnology/Health and Life Sciences Industry Cluster

This article and related information is useful in that it can provide Warren County with a methodology to further enhance its growing Bio and Life Science industry cluster. The information included will provide insight into the critical issues pertinent to the sector and outline potential resources that can further strengthen the cluster. It will also provide direction to establish the potential for a research park possibly on the University of Cincinnati at the intersection of I-71 and Ohio Route 7.

1. Biotech Parks, Karim Khan, Business Facilities Magazine, March 2006:

The commercial biosciences are made up of companies in four distinct but related industries: agricultural feedstock and chemicals, drugs and pharmaceuticals, medical devices and equipment, and research and testing, according to the Biotechnology Industry Organization (BIO). These are complemented by a fifth pillar: the world's academic health centers, research hospitals, and research institutes. Without these vital activities (which employ 13% of all people working in the biosciences in the U.S.), biotechnology's commercial applications, and hence its overall economic impact, would be muted. Academic and research centers are core infrastructure for any biotech cluster.

Communities know this, and they have been active in trying to beef up this infrastructure to make sure that they too catch a piece of the biotechnology growth movement. After the explosion of information technology

beginning in the 1980s, communities became aware of the awesome power of technology to transform local economies. Not wanting to miss out on the chance to become the next Silicon Valley in another industry, economic developers have latched onto biotechnology as the best bet for outsize growth. It's the ideal industry—clean, well-paying, and inevitable.

The report “Laboratories of Innovation: State Bioscience Initiatives 2004” is the most up-to-date resource on what the 50 states are doing to grow their biotechnology base. (The report was prepared for BIO by the Battelle Technology Partnership Practice and a non-profit organization called SSTI.) It identifies “key success factors” that determine how well a region will do in growing a biotechnology cluster—factors that you should look at when deciding where to expand your bioscience enterprise. Among the factors:

- Engaged research institutions with active leadership;
- Intensive networking across sectors and with industry;
- Available capital covering all stages of the business cycle;
- Workforce and talent pool on which to build and sustain efforts;
- Stable and supportive business, tax, and regulatory policies; and
- Access to facilities and equipment.

The Argument for Parks

A significant number of communities around the world have tried to address one or more of these factors simultaneously through the formation of specialized centers of bioscience activities, commonly marketed as “biotech parks.” Very often these parks offer not only the specialized facility and equipment hook-ups your biotech company needs to expand, but also access to a business incubator (for early-stage companies); financial assistance; formalized systems for networking, hiring, and collaboration with universities; and commercialization of technology developed at public institutions. When you combine such a facility with a nearby community sporting a high quality of life, a business environment loaded with tax credits and other bioscience-specific financial incentives, venture capital, and a healthy pool of bioscience employers and employees, expanding into a new location starts to look attractive.

U.S. University- and Institution-Affiliated Bioscience Research Parks	
State	Bioscience-Focused Research Parks
Colorado	Colorado Bioscience Park Aurora • Denver Bioscience Center at Stapleton
Florida	Progress Corporate Park at Gainesville • University of South Florida Research Park • Palm Beach County Research Village (Home of Scripps Research Institute in Florida)
Georgia	Technology Enterprise Park in downtown Atlanta
Illinois	Chicago Technology Park • Illinois Institute of Technology Life Sciences Research Park • New Uses Agricultural Technology Park
Kentucky	Louisville Life Sciences Research Park
Louisiana	InterTech Science Park
Maryland	Shady Grove Life Sciences Center • University of Maryland at Baltimore BioPark • East Baltimore Life Science and Technology Park
Massachusetts	BiSquare (affiliated with Boston University) • Massachusetts Biotechnology Research Park • Gateway Park (Worcester, MA) • Grafton Science Park (affiliated with Tufts University)
Missouri	Center of Research, Technology, and Entrepreneurial eXchange (CORTEX) in St. Louis
New Jersey	New Jersey Technology Centre • University Heights Science Park
New York	Audubon Biomedical Science and Technology Park • Broad Hollow Bioscience Park • SUNY Downstate Advanced Biotechnology Park • Agriculture and Food Technology Park (affiliated with Cornell University)
Ohio	Cleveland Biotechnology Park, Inc.
Oklahoma	Presbyterian Health Foundation Research Park
Tennessee	University of Tennessee–Baptist Research Park in Memphis • Cool Springs Life Science Center near Nashville
Texas	Southeast Texas Biotechnology Research Park in Houston • Life Science Research and Technology Campus in Temple • University of Texas Southwestern Medical Center
Virginia	Virginia BioTechnology Research Park
<i>SOURCE: BIOTECHNOLOGY INDUSTRY ORGANIZATION AND OTHER SOURCES. LIST IS NOT EXHAUSTIVE, AND NOT ALL PARKS MAY BE OPEN YET.</i>	

2. *The 2006 Business Facilities Ranking Report- Biotechnology, Business Facilities Magazine, March 2006:*

BIOTECH TOP 15 (LAST YEAR'S RANK IN PARENTHESES)	
1	NEW YORK (2)
2	CALIFORNIA (8)
3	TEXAS (5)
4	FLORIDA (10)
5	GEORGIA (9)
6	MARYLAND (6)
7	NORTH CAROLINA (4)
8	WISCONSIN (25)
9	MASSACHUSETTS (3)
10	OHIO (11)
11	PENNSYLVANIA (11)
12	ILLINOIS (1)
13	NEW JERSEY (6)
14	MISSOURI (20)
15	MINNESOTA (14)

Business Facilities prepared this 2006 ranking of states showing the greatest overall strength and growth in biotechnology using data coming from the latest Battelle Technology Partnership Practice/SSTI report, prepared for the Biotechnology Industry Organization (BIO). (The report is called "Growing the Nation's Bioscience Sector: State Bioscience Initiatives 2006" and can be found online at www.bio.org)

Business Facilities measured eight factors, each of which counts equally toward a state's final score.

Category 1: Number of bioscience establishments, 2004;

Category 2: Average percentage change in number of bioscience establishments among the four major biotech subsectors, 2001-2004;

Category 3: Whether or not there are state-supported bioscience R&D programs available;

Category 4: Number of biotechnology research parks;

Category 5: Number of biotechnology incubators;

Category 6: Whether or not bioscience facilities financing is available from the state;

Category 7: University life sciences R&D expenditures, FY 2003

Category 8: Bioscience occupations in the workforce, 2004 (i.e., how many people in the state work in bioscience jobs).

Forbes magazine annually ranks the fastest growing technology companies. A strong percentage of those firms are biotechnology or life science related. They are potential industries that Warren County can contact.

Rank	Company	Industry	Price	52-Week	Latest	2003	5-Year	1-Year
				Change	12-Month Sales (\$mil)	Estimated P/E	Sales Growth%	Growth
6	Cephalon	biotech/medical equipment	41.66	-37	507	29	102	93
8	Biolase Technology	biotech/medical equipment	8.26	47	29	27	86	62
10	Possis Medical	biotech/medical equipment	16.49	-14	50	40	71	37
13	Integra LifeSciences	biotech/medical equipment	22.98	-16	118	26	62	26
16	IDEC Pharmaceuticals	biotech/medical equipment	35.31	-48	404	26	52	48
17	ArthroCare	biotech/medical equipment	12.44	-29	89	39	45	13
18	Engineered Support System	defense & aerospace	39.57	33	438	19	42	18
21	Edo	defense & aerospace	18.33	-30	329	16	40	27
22	Forest Laboratories	biotech/medical equipment	55.03	36	2,022	24	39	39
23	L-3 Communications*	defense & aerospace	41.87	-27	4,011	15	39	71
25	ResMed	biotech/medical equipment	31.74	-21	233	29	33	26

* A division of L-3 Communications is currently located in Mason. Continuing to support this important corporate client is one of the retention and expansion services appropriate for the Warren County Office of Economic Development.

Ohio and Warren County economic developers should not ignore the Canadian marketplace and several fast growing life science companies. A number of these firms are located in Quebec and could be looking for access into the United States marketplace:

- DiagnoCure is in Saint Foy and is involved in Cancer detection.
- Atrium Biotechnologies is in Quebec City and is developing cosmetics.
- Prometric Life Science is in Montreal and is in therapeutics.

B. Automotive Industry

The following article provides an insight into the critical issues that are facing location decisions in the automotive industry. The information can assist Warren County in further clarifying its position in relation to attracting additional suppliers to the County. By reviewing the individual profiles, a trend will emerge as to the activities used to obtain the various automotive industry investments. In addition, the related references provided will also be a source to maintain current data on the industry.

1. New Directions in the Automotive Industry, Jenny Vickers, Business Facilities Magazine, Aug. 2006:

The North American auto industry is moving in a new direction these days, literally. In the 1970s, automobiles were produced along an east to west axis running from Detroit to Chicago. Since then, a new axis has developed. It runs north to south from Ontario to the Southern U.S. This changing automotive axis is largely being driven by foreign auto investments, forcing domestic manufacturers to restructure and rethink their investment strategies as well.

“The global automotive industry is restructuring,” says David Paterson, vice president of Corporate and Environmental Affairs, GM Canada. “Many areas are competing to attract these investments because of the profound impact on the economy and all of the spin-off jobs and auto supply chain that come with it.”

This is not to say that there are no new investments occurring in the traditional automotive locations—take Honda’s recent \$550 million investment in Indiana for example—but there is no denying the changing automotive site-selection landscape.

The Northern Advantage

Ontario’s auto sector is one of the most successful and competitive in the world. Seven of the world’s largest vehicle manufacturers operate 14 plants in Ontario. According to Ward’s AutoInfoBank, February 2006, Ontario is the number one producer of light vehicles in North America, producing well over 2.5 million light vehicles in 2005 alone.

There are many variables throughout the years that have contributed to Ontario’s success in the auto sector. However, the most recent and notable factor is Ontario’s Auto Investment Strategy, which has ignited a rebirth of the auto industry in the province. Introduced in 2004, this program has leveraged almost CAD \$7 billion in new automotive investments and thousands of high-value jobs since it was introduced in April 2004.

“Ontario is the place to be when it comes to auto production,” says Joe Cordiano, Ontario’s Minister of Economic Development and Trade. “Our CAD \$500 million automotive investment strategy is designed to attract auto investments in research and development, skills development, worker training, and energy enhancing and environmentally advanced technology.”

Ontario’s investment strategy has spurred investments by both foreign and North American companies. North American giants General Motors (GM) and Ford received CAD \$235 billion and CAD \$100 million respectively from the province for expansions. Ontario-based Linamar Corp. plans to establish a technology center in Guelph, Ontario. Foreign companies Toyota, DaimlerChrysler, and Honda have also announced new investments in Ontario.

Toyota’s decision to locate its CAD \$1.1 billion assembly facility in Woodstock is the first such plant announcement in Ontario in more than a decade. The plant will bring 2,000 new jobs, and in time will create more jobs through spin-off auto parts and supplier industries. The Ontario government is investing up to CAD \$70 million to build the plant.

According to Jim Wiseman, vice president for Corporate Affairs, Toyota Motor Engineering and Manufacturing, North America, Inc. (TEMA), Toyota chose Woodstock due to its rural location, proximity to the Cambridge plant, its welcoming community, an excellent economic package, and the existing supply network.

“Ontario is a leading automaker with an outstanding supply base near Toyota’s plants,” says Wiseman. “The logistics will be quite easy to distribute parts to both of our Cambridge and Woodstock facilities.”

Ontario’s government also provided CAD \$255 million to support GM’s mega CAD \$2.5 billion Beacon Project, a multifaceted investment that supports GM’s vehicle design and manufacturing capabilities at Ontario plants in Oshawa, St. Catharines, and at CAMI in Ingersoll. GM is currently the largest producer of vehicles in Canada, producing about 40% of Canada’s vehicles.

Ontario’s thriving auto manufacturing sector is naturally creating opportunities for growth for auto supply companies. In April 2006, Ontario-based Linamar Corp., manufacturer of machine and engine components, announced it will spend more than CAD \$1 billion over five years in the province. This will be the largest single investment by an independent auto parts maker in Canadian history.

Southern Migration

The Southern migration of the auto industry is largely attributable to foreign investors being drawn to the U.S. South's low-cost land and labor. Foreign auto plants accounted for more than half of the South's auto production and employment, and 15% of national production according to EconSouth (First Quarter 2005).

Some of the recent major foreign auto investments in the South include Kia's \$1.2 billion assembly plant in West Point, GA; Toyota's plant in San Antonio, TX; Mercedes' \$600 million investment in Vance, AL, doubling plant size and production to 160,000 units; and the opening of the first North American plant for Global Management Business Automotive USA (a Korean auto parts supplier) in Auburn, AL. This \$28.6 million plant will employ about 200.

Unbridled Spirit in Kentucky's Auto Industry

Kentucky has an extensive automotive history. In 1913, Henry Ford started a small factory in Louisville, KY, expanding operations to a modern assembly plant in 1955 and the Kentucky Truck Plant in 1969. The two Ford plants today employ about 7,500 people. The expanded Kentucky Truck Plant, at 4.6 million square feet, is the second-largest Ford assembly plant in North America.

In 1981, GM moved production of the Chevrolet Corvette to Bowling Green, KY. GM's modernized plant now employs 1,200 people and assembles more than 35,000 Corvettes per year.

Foreign investment in Kentucky began in 1988. Toyota's \$4 billion Georgetown, KY plant is the company's largest production facility outside Japan. Toyota also has its North American manufacturing headquarters and its North American Parts Center in the state.

"Lots of states were interested in landing us at the time," says TEMA's Wiseman. "We chose Kentucky because it is centrally located with access to the North American supply base. The quality of the workforce is excellent because it is a rural, hardworking area where people have an outstanding work ethic. At the time, getting a Japanese plant was controversial. We felt welcomed in Kentucky."

Despite being controversial at the time, leaders today see Toyota's investment as an outstanding economic asset. Research shows Toyota's opening to be responsible for hundreds of other auto companies having located in Kentucky.

"Numerous supplier plants have taken advantage of Kentucky's central location to serve assembly plants all across the eastern U.S.," says Gene Strong, secretary for the Kentucky Cabinet for Economic Development.

“Approximately 350 international companies representing 26 countries have made investments in the commonwealth, employing more than 71,000 Kentuckians.”

The growth of the motor vehicle industry in Kentucky has placed it third among all states in the production of cars, and fourth in total light vehicle production.

What makes Kentucky so attractive? The qualities cited over and over include:

- Productive workforce
- Central location
- The lowest industrial power rates in the country
- Excellent workforce training programs
- Great incentive programs

Georgia On Kia's Mind

Georgia's most recent auto success story is Kia, which is locating its first U.S. manufacturing operation in West Point, GA. This plant represents a \$1.2 billion investment in the state and will create 2,800 jobs. It's big news for Georgia's growing auto economy. Currently, Georgia ranks ninth in total light vehicle production, seventh in cars, and eighth in trucks in the U.S., according to Ward's Communications.

Kia chose a site in Georgia for its rural location, labor force, and state and community incentives. The total state incentive package is worth about \$258 million. Kia will receive \$75.9 million in job tax credits against its tax liability over five years. Community incentives include \$130 million in property tax abatements over 15 years, and about \$21 million from local authorities and utility providers for infrastructure improvements.

Sadly, as foreign investment grows in the U.S. South, domestic companies are forced to realign and even shut down. In Georgia, GM and Ford both made recent downsizing and closing announcements.

“We hate to see great corporate citizens like Ford and GM leave, but the reasons for that are out of our control,” says Chris Clarke, deputy commissioner for Global Commerce, Georgia Department of Economic Development. “At the end of the day, we are going to focus on growth opportunities that provide Georgia workers with good employment opportunities, whether it's an Asian, European, or American automaker.”

Georgia's newest domestic investment is Carbon Motors Corp. (a new American auto company) that plans to locate its headquarters, research and development center, and production center in metro Atlanta. The company plans to develop the world's first vehicle built just for law enforcement.

Don't Mess With Texas

TOP STATES FOR AUTOMOTIVE AND OTHER TRANSPORTATION EQUIPMENT MANUFACTURING	
OVERALL WINNER	
MISSISSIPPI	
REGIONAL WINNERS	
NEW ENGLAND	RHODE ISLAND
MIDWEST	NEW JERSEY
GREAT LAKES	INDIANA
PLAINS	SOUTH DAKOTA
SOUTHEAST	MISSISSIPPI
SOUTHWEST	OKLAHOMA
ROCKY MOUNTAINS	UTAH
FAR WEST	OREGON
HONORABLE MENTIONS	
HONORABLE MENTIONS IN THIS CATEGORY ARE GIVEN TO THOSE STATES THAT RANK IN THE TOP 10 OVERALL, BUT WERE NOT FIRST PLACE IN THEIR RESPECTIVE REGIONS.	
VIRGINIA	
NEBRASKA	
CALIFORNIA	
NEVADA	
ARKANSAS	
MINNESOTA	
IOWA	

Notes:
 1) Regions correspond to those defined by the Bureau of Economic Analysis (www.bea.gov/bea/regional/docs/regions.asp).
 2) Alaska, Hawaii, Delaware, Montana, and Wyoming were excluded due to insufficient data.
 3) Each input into the final ranking is itself ranked first. The input factor ranks are totaled after adjusting for weighting, and the lowest overall number represents the number one place in the final ranking. Note that this means that a location that obtains a wide margin of superiority in a single input factor over the next location does not see any advantage when it comes to the final ranking than if it had obtained a narrow margin of superiority.

When Toyota decided to open up its sixth North American plant, it chose an atypical location—San Antonio, TX. With Toyota traditionally opening up plants in rural areas, it was hard to understand what made this metro location appealing. According to Mario Hernandez, president of San Antonio Economic Development Foundation, attracting Toyota took many years of building relationships and a lot of hard work.

“Toyota wasn’t a project for sale,” says Hernandez. “While we didn’t offer a large financial package, we did offer a good business climate, long-term cost advantages, available labor, and a unique real estate solution. They needed a large site, so we came up with sites of 1,500 acres or more. We were also able to help them meet their infrastructure and energy needs.”

The overall projected economic impact of Toyota on the region is \$1.7 billion a year.

C. Aerospace Industry

The following article is intended to provide Warren County with a perspective on the aerospace industry and its impact on the overall economy. It also shows how closely tied this industry is to the national political landscape. This information also provides the County with critical points needed to obtain the investments related to aerospace and resources to track new initiatives directed by the US Government as well as data sources to maintain current trends in the industry. Further, the information on the initiatives in the various states will provide direction as to what may be needed to establish an effective program

1. Aerospace, Karim Khan, Business Facilities Magazine, Nov. 2003:

According to the Congressionally mandated Commission on the Future of the U.S. Aerospace Industry (CFAI) and the Aerospace Industries Association (AIA), the aerospace industry employed 4.5% of all manufacturing and 7.4% of durable goods manufacturing workers as recently as 2001. On an annual basis, that's roughly 790,000 workers on a \$31 billion payroll. Considering that the American aerospace industry has been shedding jobs over the last decade to the lowest level since before 1953, it's no wonder that U.S. states are willing to heavily incentivize your company's aerospace relocation or expansion.

After all, these are very good jobs. Among the most important incentives that U.S. states are willing to provide are worker training grants and initiatives. It's a key incentive because, by all accounts, there is a major workforce crisis today in the aerospace industry. Beyond the more than 600,000 scientific, technical, production, and administrative aerospace jobs lost over the past 14 years, 93,000 of which were lost after September 11, 2001, the existing workforce is aging. It has been estimated that 27% of aerospace workers will likely retire by 2008. The inevitable loss of intellectual capital means that for any rebound to occur, younger workers will require training beyond what they can receive on the job. According to the AIA, "Intellectual capital could be the most important factor determining the competitive success of U.S. aerospace products in the global economy."

Worker training is also important because, according to the AIA, surveys indicate a "feeling of disillusionment about the industry among its personnel, whether they are production/technical workers, scientists, or engineers." The AIA also cites longer product life cycles, a declining number of new platforms being developed, and reduced overall spending on research and development as hurdles for the nation to overcome.

After a year of deliberations, the CFAI issued its final report in November 2002. The report has a number of recommendations for the Congress; if the recommendations are implemented, it's a good bet that locations around the world will begin to even more actively court your aerospace company, sensing a national upswing in interest. Among the summarized recommendations of the commission:

- Congress and the administration need to remove prohibitive legal and regulatory barriers that impede the industry's financial health and should continually seek to level the international playing field.

- The federal government must establish a national aerospace policy and promote aerospace by creating a government-wide management structure.
- U.S. and international regulations and policies must be reformed to enable the movement of products and capital across international borders on a fully competitive basis and establish a level playing field for U.S. industry in the global marketplace.
- A new business model must be designed to promote a healthy and growing U.S. aerospace industry.
- The U.S. must immediately reverse the decline in and promote the growth of a scientifically and technologically trained U.S. aerospace workforce.
- The federal government must significantly increase its investment in basic research to enhance U.S. national security, enable breakthrough capabilities, and foster an efficient, secure, and safe aerospace transportation system.

With the AIA and others lobbying to get the government to implement the recommendations and take a more active role in fostering growth in the aerospace sector, we may be on the verge of a resurgence in aerospace-related corporate expansions and relocations. Increased security and defense concerns since 9/11 may play a role in the comeback of the sector as well.

A Starting Point for Information

The Aerospace States Association (ASA) describes itself as the nation's premier aerospace advocacy organization representing states. Formed in 1989, the association has grown to include 44 states as members (membership is open to all U.S. states and territories). The ASA focuses on national aviation and space policy development, economic advancement, and scientific enrichment. Each state is represented by a governor-appointed delegate who heads the states' delegation; the delegation is composed of alternate delegates representing state agencies, commissions, organizations and other key aerospace leaders. (In many states, the Lieutenant Governor serves as the state's delegate to ASA.) Together, the state delegations promote the unique interests of the states in federal aerospace policy formulation and implementation.

The connection between government spending and the health of U.S. aerospace is also supported by the ASA. As the federal budget for space diminishes, and as the aerospace industry condenses, states have an important role to play in ensuring that the U.S. remains a leader in commercial aerospace development.

Because so many states are represented, the ASA is a good place to get unbiased information about the quality of the business environment in various locations for your aerospace company. The ASA is involved in various projects such as researching the various state-supported public-private partnerships with the high-technology industry to see whether the government space sector is receiving the support it needs. (Programs that need to be reviewed include business incubators; electronic networks linking the local research communities; university-related programs focused on R&D of interest to commercial aerospace industry; competitively selected grants or partnerships directed at cost share agreements between state government and local industry; and training programs that assist industry in meeting skill base requirements.)

Technology transfer opportunities are also an issue that any expanding aerospace company needs to evaluate for every location it considers. Effective collaboration between state economic development agencies, NASA's Research Centers, the U.S. Air Force's Research Laboratories, and related intermediary organizations such as NASA's Regional Technology Transfer Centers (RTTC) and the U.S. Air Force's Wright Technology Network (WTN) are examples of some of the partnerships to look for when evaluating sites.

The ASA also supports the following State Spaceports strategic initiatives:

- Encourage the federal government to fill its traditional role of ensuring public safety in this new business realm and further that the federal government should support the development of infrastructure that neither private industry nor the states have the capability to create.
- Recommend a user fee be structured to place the fee on the end user of the space based commodity or service, following a thorough evaluation by Congress of the new budget requirements for developing commercial space infrastructure throughout the U.S.
- Encourage the federal agencies tasked to provide support to the commercial aid and civil space transportation sector to provide a reliable source of funding that will provide the basis for investment in the needed expansion of capacity for space launch.
- Encourage open market pricing to ensure that U.S. industry and launch sites are not placed at a competitive disadvantage.
- Promote the establishment of baseline liability requirements for the processing and launch of commercial launch vehicles consistent with the intent of the Commercial Space Launch Act (1984).
- Support the Air Force and the FAA as the two executive agents for the development of policy and operations on national launch sites to avoid new operational constraints for commercial space launch companies.

With such a singular focus by commercial industry (the AIA) and state government (the ASA), it seems inevitable that federal resources will be unleashed over the next decade, spurring a new wave of growth in aerospace. Selecting the proper locations for this growth will be a factor in determining its impact on the U.S. as a whole.

Mississippi Communities Target Aerospace

Mirroring a national trend, six communities have banded together to promote economic development in southern Mississippi. Focusing on high tech—specifically aerospace—George, Hancock, Harrison, Jackson, Pearl River and Stone counties are working together as the Mississippi Gulf Coast Alliance to attract high technology, high-paying jobs. In the past six years alone they have accounted for the expansion or location of more than 25 high-tech companies, creating thousands of jobs and resulting in over a billion dollars of capital investment. Situated midway between New Orleans and Mobile, the Alliance is served by uncongested north-south and east-west Interstates, four ports, extensive rail access, and numerous airports. A centerpiece of aerospace activity in the region is the NASA Stennis Space Center (SSC), the premier rocket engine testing facility for all NASA space vehicles, and the designated Center of Excellence for Remote Sensing for the U.S. It houses one of the three most powerful supercomputers in the world, and also such notable companies as Boeing, Lockheed Martin, Northrop-Grumman, G.E., Pratt & Whitney, Sverdrup,

and General Dynamics. These firms continue to grow in the area: Lockheed Martin will soon occupy a 220,000 sq.ft. facility in which they will manufacture satellite components and carry out metrology/calibration work at NASA SSC. As a result of more than 40 years of operations at NASA SSC, and longer for the Keesler Technical Training Center and AFB, the region is home to a large pool of engineering, scientific, and technical talent.

A Tradition of Success in San Angelo, TX

San Angelo, TX has a long history in the aerospace industry. In the 1980s, San Angelo, TX was a manufacturing location for Mitsubishi business aircraft. Today, aerospace companies operating at the San Angelo Regional Airport include DynCorp Aerospace and Raytheon. San Angelo's business location incentives—including tax abatements for real estate and personal property, customized training programs, and cash incentives for new jobs and investment—are available to aerospace companies that modify, maintain, or manufacture aircraft. For aerospace companies looking for a new location, a hangar with 34,000 square feet of ground floor space and over 160 acres of land for future development with runway access is currently available at the San Angelo Regional Airport.

Havelock, NC Offers Aerospace Expertise

Havelock, NC has long benefited from its proximity to Naval Aviation Depot (NADEP) Cherry Point. This depot provides maintenance and engineering support to Navy and Marine Corps aviation, among others. As a result, the local workforce is highly skilled in the aerospace industry's state-of-the-art technology. To build upon this local expertise, an Institute for Aeronautical Technology is under construction at the Craven Community College's local campus, and it should be finished next year, according to Martin Cieszko, president of Havelock Regional Development Corp. (HRDC).

"This is an opportunity to give the county a leading edge in aircraft technology," says Congressman Walter B. Jones. "The Institute will not only create a center for advanced technology in aviation maintenance, but it will also serve NADEP by providing top-notch aeronautical training to the area's workforce."

Aerospace Thrives in the UK

Employing more than 150,000 people and exporting approximately 60% of its output, the U.K.'s aerospace industry is the second largest in the world and was responsible for 9.5% of the U.K.'s total R&D in 2001. A recent study highlighted aerospace as the U.K.'s most globally competitive industry, mostly because of its penetration of the U.S. market; 60% of aerospace subsystems imports to the U.S. are British.

In Rotherham, south Yorkshire, a new National Metals Technology Centre (NaMTeC)—welding together scientific expertise with industry know-how to identify gaps in R&D—will ensure the metals industry is equipped to be a world-class competitor. NaMTeC will bring together industry, science and academia to create a unique network and facility for U.K. metal producers, fabricators, and users. The center will play a key role in Yorkshire Forward's plans to develop a high-growth "cluster" based around advanced engineering and metals.

NaMTeC's permanent location will be the Advanced Manufacturing Park in Rotherham. NaMTeC will, when fully established, have around 20 staff with facilities sufficient to house the IT and administrative support it will need to deliver these services.

D. Plastics Industry

Plastics is an industry that continues to evolve. This article will provide a perspective relative to the plastics industry as to what issues are pertinent when considering a location or relocation decision. Warren County can use this information to formulate a strategy and potential locations that fit the industry profile. One benefit is that Ohio consistently ranks high in the ratings for primary locations for plastic industry locations.

1. Siting for Plastics, Sam McCord, Business Facilities Magazine, June 2004:

Being in the business of manufacturing plastic molded products is very complex and challenging without the added challenge of finding a new location for a facility. The same goes for what might appear to be a very similar industry—manufacturing of metal parts and components.

When considering a new location for expansion or relocation in either of these two industries, there are a myriad of issues to contend with. Similarities between plastics and metals include the fact that both industries are comprised of similar entities. There are the major Original Equipment Manufacturers (OEMs) that produce their own brand of product, and there are large companies that produce their own products for the consumer market. Both in turn may utilize other companies known as suppliers (also known as contract manufacturers) to provide various services ranging from product design, designing and building the tooling or molds, molding of the plastics, supplying raw materials, and other services. Most companies, whether plastics or metals, have very similar issues to conquer to successfully operate and make a profit.

So what specifically makes choosing a new location in the plastics industry sector different from finding a location for companies that are in the metal manufacturing sectors? Let's take a closer look at the differences:

Cost of Real Estate/Property

This area requires a very close look. Whether you are considering purchasing the land and building outright or leasing, the costs associated can vary considerably. Land costs run the gamut. The well known real estate phrase, "Location, Location, and Location" is absolutely valid, and the price of land varies significantly throughout the U.S. and abroad. Having a professional to help guide you through this process is money well spent.

Construction Costs: To Buy or Build?

The costs associated with new construction vary significantly. They can range from as low as \$20 per square foot (psf) for a basic metal shell building to \$55 psf for a finished building in the Midwest. The main differences between plastics

and metal manufacturing facilities seem to be the types of equipment and infrastructure needed to operate.

Operational Costs: Taxes, Salaries, Benefits, and Shipping

"As a custom molder specializing in large part molding, one significant factor is location in relation to the use. The cost of freight has become a huge factor weighing in to the overall cost analysis," says Wayne Donohue, Vice President of GI Plastek. "To be competitive, you must be relatively close to your customer." GI Plastek is a leading Reaction Injection Molding (RIM) supplier of very large parts for agriculture equipment, like tractors, and shipping is very expensive due to the size of the product. The company needs to be within 500 miles of its customers, or it loses competitiveness. It has production facilities in Ohio, Massachusetts, New Hampshire, and Iowa.

"If your plastic products typically require painting, this should be a consideration as the location of the paint facility needs to be very close to the molding facility, if not under the same roof," continues Donohue. "These are some of the hidden costs when considering a new location. The next factor would be the area of economics. Considerations of local area pay rates and overall compensation packages become critical. Molding is an extremely competitive business and you must watch the costs very close up front."

Donohue adds that "one last, but not final consideration is aggressive economic development assistance for training and grants. These are important factors, but are less significant compared to those listed previously. In today's business world, these are somewhat expected and tend to be very competitive."

John Pelton of Centro, a leader in large rotational molded components for the agriculture industry, has hands-on experience with challenges in locating a plastics facility. "Some of the primary issues I encountered during a new location a few years ago," says Pelton, "were:

- 1) Available non-union workforce at reasonable hourly rates;
- 2) Finding suitable building site and local contractors;
- 3) Good access to highways for truck traffic for shipping and receiving of goods and services;
- 4) Railroad spur for resin importation;
- 5) State and local government tax and grant incentives for building, infrastructure, new jobs training;
- 6) Suitable water, electric, and natural gas utilities at a reasonable cost."

2. *Tomorrow's Plastics Locations, Karim Khan, Business Facilities Magazine, August 2003:*

Despite popular belief and the threats of outsourcing, the U.S. is the world's largest producer of manufactured plastics products. According to a recent report prepared by Nebraska Public Power District's (NPPD) Economic Development

department, the estimated value of shipments for the plastics industry in the U.S. peaked at \$142.2 billion in 2000. Shipments declined to \$137.3 billion in 2001.

Despite the decline, most of which was due to softening demand thanks to a weakened economy, the 2001 level of industry shipments was 3.7 times the total shipments in 1982. That means that even when adjusted for inflation, the dollar value of shipments from 1982 to the present has grown by about 100%. According to the Society of the Plastics Industry (SPI), real value added in the plastics manufacturing industry grew 3.7% per year from 1980 to 2001. Over the past 25 years, plastics industry employment, real shipments, and real value added grew faster than manufacturing as a whole in the U.S., says the SPI.

U.S. plastics companies have naturally increased employment rolls to meet growing demand for increasingly sophisticated plastics products. For example, total industry employment from 1982 to 2001 increased by 73.9%. The number would be even higher excluding the sudden 4.3% drop in employment from 2000 to 2001; still, the trend is still overwhelmingly positive in the long term for plastics manufacturers.

What's amazing is that this employment growth has been accompanied by steady gains in efficiency in each plastics facility; automation funded through increased capital spending has reduced the number of workers needed for any given plant. Therefore, the only way to explain the employment swell is that the sheer number of plastics plants in the U.S., and presumably in other countries as well, has been growing rapidly and will continue to do so. More facilities than ever have sprung up to meet the growing plastics needs of industries as diverse

as automotive manufacturing and design, consumer goods, and packaging. In fact, it's hard to imagine any durable goods available today that don't utilize plastic compounds in one way or another.

It certainly explains why plastics is a "target industry" for so many economic development agencies. If it seems like every conceivable location is clamoring for your plastics business, it's because they are. Plastics facilities bring with them coveted manufacturing jobs, and yet the size of many plastics facilities allows smaller communities to compete for your project. On top of that, there isn't necessarily a strong regional draw for plastics plants, as there is in, say, the auto industry. What this leads to is a wide-open field of candidates for your project. While most plastics relocations and expansions will be dictated by the location of your customer base, you will still face a myriad of attractive options—from redeveloped urban brownfield sites to rural greenfields.

To help our plastics industry readers get a handle on which locations might be the best starting points for a site search, we took it upon ourselves to ask a sampling of consultants, real estate professionals, and location selection experts

20 HOTTEST PLASTICS LOCATIONS

1. TEXAS
2. OHIO
3. TENNESSEE
4. NORTH CAROLINA
5. ALABAMA
6. MEXICO (TIE FOR 6TH)
6. PENNSYLVANIA (TIE FOR 6TH)
8. SOUTH CAROLINA
9. ARIZONA (TIE FOR 9TH)
9. LOUISIANA (TIE FOR 9TH)
11. GEORGIA (TIE FOR 11TH)
11. NEW JERSEY (TIE FOR 11TH)
13. VIRGINIA
14. MISSISSIPPI (TIE FOR 14TH)
14. OKLAHOMA (TIE FOR 14TH)
16. ILLINOIS (TIE FOR 16TH)
16. MISSOURI (TIE FOR 16TH)
18. MINNESOTA
19. INDIA (TIE FOR 19TH)
19. KENTUCKY (TIE FOR 19TH)

METHODOLOGY: EACH SURVEY RESPONDENT WAS ASKED TO NAME UP TO FIVE LOCATIONS, IN ORDER OF PREFERENCE, REPRESENTING HIS OR HER CHOICES OF THE MOST ADVANTAGEOUS PLACES TODAY TO BUILD A NEW PLASTICS FACILITY. LOCATIONS RECEIVED FIVE POINTS FOR EACH FIRST CHOICE; FOUR POINTS FOR EACH SECOND CHOICE; AND SO ON. THE FINAL ORDERED TALLY PRODUCED THIS LIST.

where the hottest opportunities in plastics are today.

What we found is summarized below as the 20 Hottest locations for plastics. These are the places our survey respondents told us are you need to examine if you're in the business of plastics, and are considering expanding or relocating. As mentioned above, there will almost certainly be limiting factors you'll consider first before relying on this list; if all of your customers are in the southeastern U.S., it may make more sense to give extra consideration to Tennessee (number 3) or North Carolina (4) than to top-rated Texas. And if you're supplying customers in Asia, you might want to look at a number of international locations such as India (19). Remember, our 20 Hottest list is limited by the fact that our survey is only a matter of opinion from professionals, and these professionals may have an inherent bias due to their familiarity with certain locations over others. Therefore, it's impossible to say that a location not on our list isn't equally "hot."

E. Logistics

The following articles will assist Warren County in structuring a program on the attraction of logistics oriented business. The first article provides an understanding of the industry as a whole and some of the issues being realized by the industry as a whole. The second article provides an insight as to the specific categories that influence a decision on location by a typical logistics operation. It is also followed by the annual Location Quotient done by Expansion Management magazine on the MSA located in the United States. This will provide further information as to how Warren County would compete on the national scope as part of the Cincinnati-Middletown, Ohio-Ky.-Ind. MSA.

1. *The New Face of Logistics, Frances Rufinni, Business Facilities Magazine, June 2004:*

Although dot-coms and the technology industry have taken a beating in the past two years, the growth of e-commerce has spurred a heightened level of construction of state-of-the-art distribution properties. The demand is from retailers and logistics firms who have had to quickly develop processes and markets capable of responding to the buying power of consumers, according to a report called Trends in Warehouse and Distribution Space by Cushman Wakefield. A steady demand has been created for warehousing at all levels, reflected in strong supply/demand trends across markets. U.S. industrial markets that are untapped but offer strong transportation amenities will be targeted by logistics companies looking to get closer to their consumers and save on their occupancy costs. According to Cushman Wakefield, two major trends for warehouse/ distribution space are:

- 1) a growing disparity between old and new industrial facilities, creating both a real and perceived sense of warehouse obsolescence, and
- 2) a "new" source of demand for super regional, state-of-the-art warehouse/distribution facilities.

Cushman Wakefield says the largest industrial real estate markets in the U.S.—Atlanta, Chicago, Dallas, Los Angeles, and New Jersey—have seen technology and e-commerce drastically reshape their horizons. The characteristics, volume, and location of new industrial facilities are being dictated by retailers like Toys-R-Us, Amazon.com, Dell, Hewlett Packard, JC Penney, and L.L. Bean. Existing buildings in these markets include vacant warehouse buildings that may never see a tenant due to their structural limitations. The majority of this space is classified as "traditional," that is, 25-foot ceiling heights or less, depths of 300 feet, floor slabs of five inches on average, total building size less than 300,000 square feet, and other exterior features like smaller truck courts, minimal parking and below average aesthetics. Some might argue that these design features make these properties obsolete, and for some uses this is true.

However, it is the combination of characteristics that determine a project's obsolescence, not any one element (even age). A building may only have ceiling heights of 24 feet but have depth and cross docking on its side, creating a strong demand for its use by companies that move product quickly, such as disposable and temperature sensitive cargo. The demand for this traditional product type comes from "back-warehouse" users.

Total building size in the past decade has increased by an average of 50% and current occupancy rates in the hottest markets like New Jersey and Dallas are over 65%. The link between the distribution industry, manufacturers, corporate systems and consumer spending is clear. To get products to purchasers, three elements are key: proximity to the markets and labor force, transportation, and real estate.

The real estate aspect is dictated by the first two elements, so the selection of the distribution location is best described as a holistic network. In-depth analysis of population growth trends and consumer "technographics" (consumers grouped by their attitudes and spending habits towards technology) and "psychographics" (profiles of individuals) can be used by executives to make the most successful location decisions. The top five markets for population growth over the next four years are located in Nevada, Florida and Texas, ranked in that order, according to Cushman Wakefield's predictions. These areas also reflect the regions where the strongest potential for growth in industrial construction activity exists: On the West Coast along Interstate 5; from Canada south to Mexico, taking advantage of the NAFTA highway (termed the "Mid-Mississippi Corridor"); and on the East Coast running along Interstates 81 and 95. Large corporations seeking sites target these regions but in some instances have sought out hinterlands, small rural communities just outside of a major metropolitan area. In these situations, they quickly become "white knights" to the community, which are eager to offer very attractive site incentives and labor at a lower cost.

2. 2005 Location Quotient- The Top Metros in the United States, Bill King and Michael Keating, Expansion Management Magazine, Sept. 2005:

Yearly, Expansion Management Magazine issues a logistics quotient and ranks cities across the country. Their findings are used as reference by numerous site selectors across the nation.

Major categories

The Logistics Quotient ranks metro areas according to 10 major categories, as described below. Together, they give a pretty comprehensive overview of a region's logistics infrastructure.

Transportation and Warehousing Industry. This category attempts to get a feel for the depth and strength of the metrowide T&W industry and includes the number of companies in the metro area that are engaged in the transportation and warehousing (T&W) industry sector, along with the annual revenue generated by the T&W industry sector. Information comes from the U.S. Department of Commerce.

The top five metros in this category are Chicago, Los Angeles, New York, Houston and Miami.

Transportation and Warehousing Work Force. This category attempts to get a feel for the depth and cost of the metrowide T&W work force and includes the total annual payroll of companies in the T&W industry sector, the total number of employees, the average salary and the T&W revenue per employee. Information comes from the U.S. Department of Commerce.

The top five metros in this category are St. Louis, Louisville, Fayetteville, Ark., Miami, and El Paso, Texas.

Interstate Highway Access. This category focuses on the interstate highway infrastructure and includes the number of interstate highways that pass through the metro area, as well as the number of interstate auxiliary routes (i.e., beltways, bypasses, etc.). Information comes from the Federal Highway Administration.

The top five metros in this category are New York, Chicago, Baltimore, Dallas-Fort Worth and Cleveland.

Road Conditions. This category includes the average roughness of the metro area's roads, as well as the percentage of bridges that are obsolete or structurally deficient, including five-year trends. Information comes from the Federal Highway Administration.

Road Congestion. Whether a metro area has adequate roads depends upon the amount of traffic using those roads. Clearly, what is considered an adequate infrastructure for Huntsville, Ala., is clearly insufficient for a city like Atlanta. This category includes such things as roadway miles per capita, total miles of freeways, average daily freeway traffic and average daily traffic per freeway lane. Information comes from the Federal Highway Administration.

Road Infrastructure. This category attempts to look into the future in terms of keeping up with an adequate road infrastructure. It includes public roads mileage, capital outlay for roads and bridges, highway maintenance per mile and spending for highway law enforcement. Information comes from the Federal Highway Administration.

Vehicle Taxes and Fees. This category includes highway user taxes and fees, as well as motor fuel excise taxes. Data on state and federal highway user taxes and fees was provided by the Wisconsin Motor Carriers Association, while data on motor fuel excise taxes was provided by the Federation of Tax Administrators.

Railroad Access. This category includes the number of railroad carriers that service a metro. The data came from ALK Technologies Inc. of Princeton, N.J.

The top five metros in this category are Chicago, New York, Philadelphia, Pittsburgh and St. Louis.

Water Port Access. This category includes total tonnage for all ports located within the confines of the metro area and comes from the U.S. Army Corps of Engineers' Waterborne Commerce Statistics Center.

The top five metros in this category are New Orleans, Houston, New York, Los Angeles, and Beaumont, Texas.

Air Cargo Access. This category includes the number of air courier companies, as well as the total air cargo tonnage for the metro. The data comes from the Federal Aviation Administration, as well as from the Bureau of Transportation Statistics.

The top five metros in this category are New York, Los Angeles, Chicago, Washington, D.C., and Miami.

You probably noticed that road transportation factors have a heavy presence in these rankings. That is because most of our readers, as well as most of Logistics Today's readers, are with companies that do most of their shipping by ground.

Finally, one of the standard features of Expansion Management's various annual metro "Quotient" studies is the awarding of the "5-Star Metro" designation to the top 20 percent of the MSAs. Metros that earn this distinction can rightfully consider themselves to be among the elite cities when it comes to that particular category.

Metros that rank in the 21 to 40 percentile are designated as "4-Star Metros," while those that rank in the middle (41 to 60 percentile) are awarded 3-Stars.

The bottom 40 percent are awarded 2-Stars and 1-Star respectively.

Some Perspective on the Results

It is important to remember that the overall rankings represent an MSA's overall strength in all categories. However, for your company's purposes, perhaps not every category is important as others.

For that reason, it is a good idea to look at a metro's ranking in each category and assign your own weight to that category based upon its importance to you.

For example, if your company doesn't use rail or water or air cargo, then those categories are obviously less important. Conversely, if your company does rely heavily on one or more of those means, then perhaps the ground transportation categories should be weighted less.

That is how the Logistics Quotient is designed to be used.

Along those lines, we'd like to say a few words about rankings in general.

Rankings are simply a reflection of how we as individuals make decisions — we gather data, evaluate it, prioritize it, and see what comes up.

The most important factor when looking at ratings is to understand the criteria upon which those ratings/rankings are based. If the initial set of criteria makes sense to you, then the results should make sense to you as well. If it doesn't, then you need to go back and re-examine your criteria. In other words, if you don't like the results, don't shoot the messenger.

A FORTY PUBLICATION

EXPANSION

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HELPING GROWING COMPANIES EVALUATE FUTURE LOCATIONS

5-Star Logistics Metros

<u>Metropolitan Statistical Area</u>	<u>T&W Industry</u>	<u>T&W Work</u>	<u>Road Infrastr.</u>	<u>Road Density/</u>	<u>Road Cond.</u>	<u>Interstate Hwys</u>	<u>Taxes/ Fees</u>	<u>Rail</u>	<u>Water</u>	<u>Air</u>
Akron, Ohio MSA	67	127	120	166	186	23	241	34	178	93
Albany-Schenectady-Troy, N.Y. MSA	80	96	6	144	317	15	297	34	40	69
Anchorage, Alaska MSA	55	80	276	44	253	36	13	310	53	52
Atlanta-Sandy Springs-Marietta, Ga. MSA	6	100	278	341	4	12	1	34	178	8
Baltimore-Towson, Md. MSA	19	30	118	241	277	3	220	34	16	22
Baton Rouge, La. MSA	74	93	296	317	277	52	62	102	9	107
Beaumont-Port Arthur, Texas MSA	103	84	145	131	134	157	90	24	5	194
Birmingham-Hoover, Ala. MSA	50	69	214	244	197	23	48	24	178	56
Boston-Cambridge-Quincy, Mass.-N.H. MSA	10	55	83	270	341	23	139	34	23	7
Buffalo-Cheektowaga-Tonawanda, N.Y. MSA	45	14	6	157	317	81	297	6	65	58
Charleston-North Charleston, S.C. MSA	61	13	335	222	169	120	20	63	25	84
Chattanooga, Tenn.-Ga. MSA	100	77	252	176	49	52	29	63	54	113
Chicago-Naperville-Joliet, Ill.-Ind.-Wis. MSA	1	65	117	341	75	2	288	1	10	3
Cincinnati-Middletown, Ohio-Ky.-Ind. MSA	28	66	185	234	185	15	157	34	37	28
Cleveland-Elyria-Mentor, Ohio MSA	24	46	120	112	186	5	241	17	31	38
Columbus, Ohio MSA	32	68	120	226	186	36	241	34	178	37
Corpus Christi, Texas MSA	116	174	145	87	134	157	90	151	8	132
Dallas-Fort Worth-Arlington, Texas MSA	8	90	145	279	134	4	90	7	178	9

<u>Metropolitan Statistical Area</u>	<u>T&W Industry</u>	<u>T&W Work</u>	<u>Road Infrastr.</u>	<u>Road Density/</u>	<u>Road Cond.</u>	<u>Interstate Hwy's</u>	<u>Taxes/ Fees</u>	<u>Rail</u>	<u>Water</u>	<u>Air</u>
Davenport-Moline-Rock Island, Iowa-III. MSA	97	128	186	78	117	23	282	63	178	103
Denver-Aurora, Colo. MSA	21	71	104	296	125	15	229	63	178	15
Detroit-Warren-Livonia, Mich. MSA	8	41	130	348	221	5	70	7	27	23
Duluth, Minn.-Wis. MSA	124	199	225	190	23	120	212	34	18	144
Grand Rapids-Wyoming, Mich. MSA	48	73	130	230	221	81	70	63	178	66
Harrisburg-Carlisle, Pa. MSA	57	54	84	98	342	23	340	34	178	85
Hartford-West Hartford-East Hartford, Conn.	54	36	67	172	332	36	284	34	178	46
Honolulu, Hawaii MSA	63	151	40	91	314	23	28	347	26	47
Houston-Baytown-Sugar Land, Texas MSA	4	33	145	322	134	52	90	17	2	6
Indianapolis, Ind. MSA	26	23	145	323	87	12	128	34	178	34
Jacksonville, Fla. MSA	27	21	17	283	24	52	251	63	29	48
Kansas City, Mo.-Kan. MSA	22	11	267	93	208	9	165	17	51	33
Knoxville, Tenn. MSA	73	44	226	334	81	36	84	102	77	98
Little Rock-North Little Rock, Ark. MSA	61	56	258	76	210	23	171	34	178	74
Los Angeles-Long Beach-Santa Ana, Calif. MSA	2	26	41	302	288	9	184	102	4	2
Louisville, Ky.-Ind. MSA	29	2	205	220	214	15	121	10	39	55
Memphis, Tenn.-Miss.-Ark. MSA	22	122	274	336	133	52	123	34	30	16
Miami-Fort Lauderdale-Miami Beach, Fla. MSA	5	4	17	355	24	36	251	151	19	5
Milwaukee-Waukesha-West Allis, Wis. MSA	33	24	241	335	53	36	352	63	52	44
Minneapolis-St. Paul-Bloomington, Minn.-Wis. MSA	13	96	213	291	18	5	169	7	41	25
Mobile, Ala. MSA	70	63	214	272	197	52	48	24	83	112
Nashville-Davidson-Murfreesboro, Tenn. MSA	36	64	226	231	81	36	84	102	48	43
New Haven-Milford, Conn. MSA	70	156	67	142	332	52	284	24	38	96
New Orleans-Metairie-Kenner, La. MSA	20	26	296	252	277	52	62	17	1	42
New York-Newark-Edison, N.Y.-N.J.-Pa. MSA	3	38	5	238	339	1	170	2	3	1
Oklahoma City, Okla. MSA	41	15	296	247	332	15	16	63	178	59
Omaha-Council Bluffs, Neb.-Iowa MSA	38	19	329	316	255	36	213	15	178	54
Peoria, Ill. MSA	109	81	84	165	65	81	320	10	178	116
Philadelphia-Camden-Wilmington, Pa.-N.J.-Del.-Md. MSA	7	60	82	283	328	15	219	3	6	12
Phoenix-Mesa-Scottsdale, Ariz. MSA	15	39	111	339	44	81	214	24	178	13
Pittsburgh, Pa. MSA	25	99	84	82	342	23	340	4	14	10
Portland-Vancouver-Beaverton, Ore.-Wash. MSA	18	89	212	289	220	36	336	10	20	32
Richmond, Va. MSA	45	109	188	133	161	15	36	225	59	49

<u>Metropolitan Statistical Area</u>	<u>T&W Industry</u>	<u>T&W Work</u>	<u>Road Infrastr.</u>	<u>Road Density/</u>	<u>Road Cond.</u>	<u>Interstate Hwy's</u>	<u>Taxes/ Fees</u>	<u>Rail</u>	<u>Water</u>	<u>Air</u>
Riverside-San Bernardino-Ontario, Calif. MSA	15	7	41	261	288	52	184	102	178	31
Rochester, N.Y. MSA	77	28	6	146	317	52	297	10	79	65
Sacramento-Arden-Arcade-Roseville, Calif. MSA	49	32	41	303	288	52	184	34	73	36
Salt Lake City, Utah MSA	35	60	145	333	19	23	222	102	178	35
San Antonio, Texas MSA	42	19	145	172	134	23	90	102	178	45
San Diego-Carlsbad-San Marcos, Calif. MSA	34	10	41	249	288	23	184	102	55	24
San Francisco-Oakland-Fremont, Calif. MSA	17	87	41	209	288	12	184	34	17	10
Savannah, Ga. MSA	84	12	278	244	4	52	1	63	28	108
Scranton-Wilkes Barre, Pa. MSA	67	8	84	18	342	52	340	24	178	127
Seattle-Tacoma-Bellevue, Wash. MSA	14	78	72	247	241	52	310	15	13	18
St. Louis, Mo.-Ill. MSA	12	1	202	264	179	5	177	5	21	27
Stockton, Calif. MSA	60	103	41	202	288	157	184	63	62	142
Syracuse, N.Y. MSA	69	37	6	61	317	36	297	102	75	67
Tampa-St. Petersburg-Clearwater, Fla. MSA	31	16	17	362	24	23	251	310	12	20
Toledo, Ohio MSA	75	108	120	257	186	15	241	34	34	104
Trenton-Ewing, N.J. MSA	154	59	1	129	355	81	30	151	71	123
Tulsa, Okla. MSA	44	92	296	101	332	81	16	34	58	61
Virginia Beach-Norfolk-Newport News, Va.-N.C. MSA	39	86	199	233	178	36	61	34	15	39
Washington-Arlington-Alexandria, D.C.-Md.-Va.-W.Va. MSA	10	18	187	293	209	9	122	63	72	4
Wichita, Kan. MSA	91	90	263	37	98	81	238	63	178	78
Youngstown-Warren-Boardman, Ohio-Pa. MSA	77	48	116	70	258	52	283	10	178	167

SOURCE: 2005 Logistics Quotient™, Expansion Management and Logistics Today magazines, September 2005.

III. INCENTIVES

Incentives have become the second or third most important element in the economic development arsenal. The other two that typically precede incentives are location and workforce. As a result, the competitive nature of economic development has further heightened the need to make provisions for a strong incentive package when dealing with companies or consultants.

There also needs to be an understanding among public officials, as well as the populace as a whole, that there is significant competition for both job and tax revenue between communities and counties within a state as well as between states themselves. The most critical issue to consider is the concept of a community's attempt to keep from being eliminated during the various stages of a development project. Those communities that foster a "can do" attitude and can deliver on the commitments made, will be the communities that continue to grow and prosper.

Many site consultants and key business representatives can pick up on the attitudes and attributes of a community and determine if that market is worth going to the next level of a project or not. Public officials that are supportive of key developments and that are receptive to new and innovative solutions can be quite important to the success of an economic development effort.

This process is also impacted by the sense of the community as well. An educational process must be put in place to address potential press that could be construed as negative to a project or development. A better understanding of the issues involved in the decision making process could go a long way in bringing along the majority of the populace on any given project. The following are some ideas on how Warren County might further enhance their position in the economic development environment:

- Work with the local media in establishing an open door policy concerning the economic development process.
- Speak regularly at various civic and business groups about the process and expectations.
- Speak to the youth of the community about the need and some of the issues concerning growth in the community.
- Create a monthly newsletter or some other communication venue to keep the citizens up to date with the happenings in the county.
- Explain why incentives are such an important part of the economic development equation.

In order to compete in the current economic development environment, almost all communities have created incentives to attract potential projects. This is not to say that there cannot or should not be provisions requiring the awarded companies to meet certain thresholds to maintain the incentives. Such provisions called "clawbacks" are typically tied to the amount of expenditures/investment made by the company and the number and value of jobs created by the project. In some cases, there is also a requirement to remain

within the jurisdiction for a specified length of time. In any case, the expectations of a vast majority of companies considering locations are that incentives will be made available.

States are historically the first stop on incentive discussions. They typically have the best ability to impact the needs of a business location. Each state is unique in what it perceives as critical offerings when dealing with locating a business. In the following table, we have compared Ohio, Indiana and Kentucky's typically used incentives available to clients.

Table 1 : State Incentives Comparison

Type	Ohio	Indiana	Kentucky
Skills Training	Ohio Investment Training Program	Skills Enhancement Fund	BSSCG
Tax Credits	Ohio Job Creation Tax Credit Ohio Job Retention Tax Credit	EDGE	KREDA
	Ohio Job Retention Tax Credit	Business Investment Tax Credit	Kentucky Jobs Development Act
	Ohio R&D Investment Tax Credit		Kentucky Industrial Development Act
	Training Tax Credit		Kentucky Environmental Stewardship Act
	Ohio Mfg. Machinery & Equipment Tax Credit		Kentucky Economic Opportunity Zone Program
	Technology Investment Tax Credit		
Tax Exemption	R&D Sales Tax Exemption		Kentucky Enterprise Initiative Act
	Mfg. M&E Sales Tax Exemption		
	Warehouse M&E Sales Tax Exemption		
	Warehouse Inventory Tax Exemption		
Tax Abatement	Enterprise Zones	Urban Enterprise Zone	
	Community Reinvestment Areas		
Loan Programs	Automotive Supplier Zero Percent Financing Initiative	Indiana Finance Authority	Direct Loan Program

Type	Ohio	Indiana	Kentucky
	166 Loan Program		Small Bus. Loan Program
	Regional 166 Loan Program		
	Ohio Enterprise Bond Fund		
	Innovation Ohio Loan Fund Program		
	R&D Investment Loan Fund Program		
Infrastructure		Industrial Development Grant Fund	

Interestingly, Ohio has the most programs dealing with incentives followed by Kentucky and then Indiana. It is more important how these respective programs can be used together with other initiatives at the local level to influence a client. Take for example the recent Honda Assembly Plant announced in Greensburg, Indiana. By looking at the above incentives list, one would not expect Indiana to have won this project, but it did. Indiana won the project in part because of its incentive package. That package included:

- \$41.5 million in direct incentives to Honda
 - Up to \$22 million: EDGE credits (% of payroll tax withholding for net new IN jobs)
 - \$1.5 million: training
 - Up to \$18 million: property tax abatement
- \$44 million in on-site infrastructure improvements
 - \$28 million: road improvements
 - \$11 million: water utility infrastructure
 - \$5 million: wastewater utility infrastructure
- \$56 million in regional infrastructure improvements
 - \$35 million: road improvements
 - \$13 million: water utility infrastructure
 - \$8 million: wastewater utility infrastructure

Traditional incentives include the use of Industrial Revenue Bonds (IRB's) to fund projects, Tax Increment Financing (TIF) to fund infrastructure improvements as well as some facility improvements, or general financing and federal and state training funds. As time has progressed and competition has become more fierce, additional pressure has forced governmental and quasi-governmental units to become even more aggressive and creative on how to pursue and design incentive programs.

Nationally, the federal government has a number of programs that local communities can use, most in the form of loan guarantees. Rural Economic and Community Development (formerly USDA), US EDA and HUD all have various forms of a guarantee program ranging from 90% to 60% guarantee levels with a maximum of \$25 million. In addition,

both US EDA and HUD have programs that can fund infrastructure as well as property acquisition through grants and/or loans.

Other federal programs that can be accessed include US DOT funds through the T-21 grants for specialized transportation projects. Also the establishment of a Foreign Trade Zone or Sub-Zone through the US Department of Commerce is another program that can be effectively used to assist in business location.

Local communities have many options available when considering the creation of incentives. The programs allowable under the Ohio Revised Code include Community Reinvestment Areas (CRA), which allow for abatement of real property taxes up to 100% for a period not to exceed 15 years primarily for distressed areas, and Enterprise Zones (EZ) which are similar to the CRA but have a maximum abatement of only 75% of the real property taxes to be paid. Both programs are critical to attracting companies to the region.

The establishment of a Port Authority can also provide a number of tools which can benefit in the location of business in an area. The broad powers of a port authority can allow for an entity to buy, sell, lease, construct or hold either real or personal property. This can be extremely valuable when dealing with firms that are interested in lease only options, but yet need additional benefits that only a public entity can provide.

The use of Joint Economic Development Districts (JEDD) can also provide an excellent avenue when dealing with issues of local control and infrastructure needs. By sharing the tax income in a certain area, improvements can be made to further enhance the growth potential of that given area by providing the needed infrastructure to ensure its development.

We recommend that both the CRA and EZ be established at all of the recommended and prioritized sites when possible. This will then allow a major incentive to be in place immediately.

We applaud the establishment of the new Port Authority in Warren County which will add another tool to the ability to react quickly to the needs of potential clients and activities related to the development of the county.

In addition, Joint Economic Development Districts should be considered in areas where there is potential for development and where there may be a need to combine resources between a township and a community in the development of the property(s).

We also recommend that Warren County consider the creation and implementation of the following incentive programs :

Table 2: Recommended Incentive Programs

Incentive Program	Description	Eligibility	Additional Provisions
County Revolving Loan Program	To be used to finance real and personal property for business and industry expansion and location.	Manufacturing, Warehouse and office functions with investment and job creation/retention thresholds.	Potential amount not to exceed 45% of total project cost. Portion of loan could be forgivable based upon exceeding agreed thresholds on investment and jobs.
Local Infrastructure Matching Program	To be used to match Local, State and Federal funds to construct infrastructure for economic development projects.	All governmental entities in Warren County. Match would be up to 50%. Comparable to the Montgomery County program.	Projects would meet certain job and investment thresholds. The funds could be in the form of a grant or low interest loan.
Local Training Grants	To enhance the training needs of business and industry in Warren County by providing training grants for specific economic development projects.	Positions being funded would be processed through Workkeys. There would also be certain thresholds established for various levels of funding	Funding levels could be set at a maximum not to exceed or a per job value.
Relocation Assistance	Provides assistance for the movement of Machinery and equipment from old facility to a new facility and would be based on certain thresholds being met, jobs and investment.	Any targeted company moving new into the County.	Would be in the form of a grant.
Sales Tax Savings on Construction	Assists the business in reducing construction costs of a new facility. Involves a private not for profit (NFP) corporation to be involved as the owner during construction.	Any manufacturing, warehouse or single use office project.	Take out financing would be through the private company or another NFP or governmental entity.

Build-To-Suit Lease Back	Assists the business in reducing operating costs related to type of lease entered into, ie; Capital lease or Net Operating Lease.	New and expanding businesses with certain thresholds of jobs and investment.	Would use the resources of both a NFP and/or a public entity to own facility and lease back.
Office Facility Location Tax Credit	Provides a tax credit of 50% of sales tax flowing to County to firms that locate office operations in facilities in Warren County. Minimum thresholds include square footage and payroll amounts.	New firms locating in Warren County meeting the minimum thresholds for square footage and payroll.	Credits would be for 3-10 years based on size of square footage and payroll.

In our work locating sites for private sector businesses, we have found that the ability to reduce cost, in addition to the components of location and labor force, is a critical factor that can greatly influence the final decision of a location decision. Depending on the situation, two or three of the above incentive programs could be considered a grant with no direct payback. However, the indirect return is in the form of higher potential investment by the business, better training and higher incomes for the workforce and a faster startup timeframe and lower operating cost (higher potential profits) for the business in question. Also, there could be an overall improvement in the infrastructure capabilities and return which should promote more growth in the improved area with reduced cost and higher returns in tax revenue.

IV. MARKETING DELIVERY PLAN

A successful marketing plan should contain the following elements:

- Clear understanding of state and local strengths and weaknesses from site locators' perspective.
- Public/private moral and financial support.
- Active support by public officials.
- Area wide focus (Cincinnati/Dayton Region).
- Clear mission and goals.
- Minimum of three years funding support.
- Approved strategic plan (multi-year) by regional, political and business leaders.
- Well-defined marketing products/materials, data bases (e.g. sites, buildings, training, financing).
- Select research materials, data bases. (e.g. labor supply analysis).
- Retention focus to assure existing employers stay and grow locally.
- Clearly defined targets/clusters and marketing plan for attraction of new employers.
- Active, well-trained volunteers involved to support the marketing plan.
- Education and training community support as well as a strong demand and supply side labor data which would include a resident survey.
- State and local commitment to support Warren County and regional marketing efforts.
- Professional staff and structure.
- Coordination with other regional and local economic development organizations to foster state lobbying efforts.

Economic development goal setting is often misinterpreted. Goals should not focus on the number of new businesses attracted or number of new jobs created. Goals should focus on the number of companies contacted, both existing and new, with proper follow up. If this goal is realistically followed and achieved, then the number of locations will follow.

The Warren County Office of Economic Development staff will carry out the bulk of the plan. Staff activities must be carefully focused on:

Retention

Attraction

Research

For an area the size of Warren County, economic development should be handled by two or three full-time professionals, if financially possible. The executive director should be supported by a retention director and attraction director. Generally, an economic development staff should be spending 80% to 90% of their time on business attraction and business retention.

Marketing to Targeted/Clustered Industries

Marketing to targeted/clustered industries is the most cost efficient and effective method of attracting investment. Details on the best targets for Warren County are found in this report.

In summary, targets/clusters were grouped into five specific categories:

1. Biotechnology/Life Sciences
2. Distribution, warehousing and logistics
3. Plastics and Chemical related industries
4. Aerospace related industry
5. Automotive parts and suppliers

Additionally, when these five clusters are matched to the prioritized sites and marketed using both the strengths identified in Phase II and the key location criteria found in the cluster profiles, a successful marketing program will emerge.

An example of this process could be the four parks that were identified as having strengths in the Bio and Life Science cluster: Middletown East End, Kingswood Centre, North Mason Industrial District and Springboro Tech Park. Each of the sites has certain components of the six key success factors of the Bio and Life Science cluster:

- Each is within close proximity to intensive networking systems that serve the overall market.
- They are in contact with institutions that conduct research in this arena: Procter and Gamble, Alliance Healthcare, University of Cincinnati, Premier Healthcare.
- There is a trained and growing workforce in this market that understands the needs of the Bio and Life Science industry.
- There is an understanding of the need in local and County governments for maintaining a stable and supportive business climate for this sector.

As these components are further quantified, a clear picture will emerge that can be transformed into a specific marketing plan that can be presented successfully to prospective employers or businesses in the Bio and Life Science Cluster. The same process can be used to identify the key attributes within each of the five clusters to develop a specific marketing program for each of the sites.

In order to achieve a successful marketing program, the following tasks are required to continually maintain and build an effective marketing campaign:

Research

Build research files on the five targets. Sources include:

- U.S. Industrial Outlook – detailed trend data on all industries. Available in hard copy book or CD ROM.
- Internet home pages of target/cluster companies.
- Trade publications for target/cluster industries.
- Trade associations for target/cluster industries.
- Dun & Bradstreet and Hoover’s target/cluster company lists.

As is seen in the articles earlier in this report, the use of these research documents can prove invaluable in understanding the nuances of a particular industry cluster or a specific industrial/business prospect. As the Warren County Economic Development program continues to evolve, it will be important to maintain and update the information on each of the identified priority clusters.

List Generation

Once the research and matching is completed on the best traits to be marketed to the respective clusters, the identification of who those potential clients are must be achieved. There are numerous methods that an organization can use to identify who those clients might be. They include the use of:

- Dun & Bradstreet and Hoovers target lists.
- U.S. Industrial Outlook (or substitute).
- General Target Industry Data (e.g. trade publications and trade associations membership directories).
- Specialized Target Lists developed by consultants

This can be a very labor intensive undertaking and may or may not be an activity that Warren County and its Economic Development Staff will want to take on. There are companies that will do the research on potential client lists and will also provide pre-screening for potential projects as part of their service. This is also a service that may already be supplied through either the Cincinnati USA Partnership or the Dayton Development Coalition. The only potential issue is that the potential leads in all likelihood will be shared by all of the member counties respectively.

Cost Comparison Reports

Cost comparison reports are designed to show prospects cost and conditions in Warren County, OH versus source cities (larger cities where target industry prospects are found). A report should be developed for each of your five identified clusters. Each takes a hypothetical target-type project and compares key cost and condition factors. It is

potentially more efficient that these reports be completed by the Cincinnati USA Partnership or the Dayton Development Coalition in a manner that Warren County could modify them to be more site and area specific to the County, its member communities and the specific targeted sites that fits the cluster profile.

Using the above data, a four-page, four-color brochure should be developed which highlights the key points of each of the cost comparison reports. These brochures should be sent out in a direct marketing campaign that clearly states the cost savings of locating in the Warren County/Cincinnati/Dayton region. This piece, along with a cover letter, should be mailed initially to target/cluster companies and followed up with a telephone call for the purpose of setting a meeting or obtaining more information on the company. The cost comparison brochure should clearly state those incentives that are available at both the state and local levels. Your purpose is to gain their interest and therefore every tool available to achieve your goal must be utilized.

Direct mail/Telemarketing

Direct mail/telemarketing is the best way of generating interest from target companies and for getting you in front of decision-makers. One methodology would be to conduct the phone marketing with existing staff. Another option is to outsource this function to eliminate or reduce potential staffing costs. Examples of potential outsource contacts include:

- JBA and Associates
- Gruber Phillips, Inc.
- Whittaker Associates

Prospect Trips

Face-to-face contacts with target companies is the only way to generate serious project interest. At least four regional prospecting trips should be planned during any given year- Chicago, Cleveland, Minneapolis, and Toronto/Ontario- based on the identified industry clusters and their respective concentrations. In addition, site selectors in New York/New Jersey and Philadelphia should be visited. These trips should be coordinated with a target/cluster industry trade show or association meeting through the Cincinnati USA Partnership and/or the Dayton Development Coalition where appropriate. In addition to visits with target/cluster industries, meetings should be set with site selectors in these locations as well.

Website Development

This may be the most important line item in the budget because site selectors usually look for key information initially on the web site. Warren County needs to develop an economic development website which meets the site selection standards that have been developed by the International Economic Development Council. These standards are now being amended by a few independent consultants. In addition to linkages to the

Cincinnati USA and the Dayton Development Coalition websites, Warren County needs a program designed as a low-cost tool for “do-it-yourself” data gatherers and researchers. While it would operate like a much more expensive database, your data files should be maintained in Excel worksheets. This affects the way they can be posted to a website. Additionally, Warren County Office of Economic Development should invest in integrating its system into the county’s GIS based property inventory system. Several communities around the nation are using the GIS based property inventory system.

Staff Education and Professional Affiliations

It is extremely important that the staff of Warren County Office of Economic Development increase their visibility in the Industrial Asset Management Council (IAMC) and the International Economic Development Council (IEDC). IAMC is made up of corporate real estate directors of major corporations and related service providers from across the nation (e.g. site selection consultants). IAMC holds two national conferences per year. IEDC is an international association of economic developers that provide excellent educational opportunities and holds an annual conference. Involvement in this organization can provide multiple levels of value to both the professional as well as the organization. On the organizational level, information can be obtained from IEDC on current trends in the Economic Development profession, including such items as salary surveys, leadership programs for boards, best practice data, site selection data requirements, etc. On the individual level, there are numerous training sessions on the most current trends in the profession as well as opportunities for extensive networking which can provide a resource to identify new programs for local areas through the interaction with peers in the profession. Effective economic development is not done in a vacuum.

Business Retention

Local companies generate 80% of all new jobs. Therefore, business retention is the most important part of any successful economic development program. It is much easier and more economical to assist a local company with a job creating expansion than to attract an out-of-town company. Therefore, a large percentage of time should be devoted to retention and expansion. All of these services and tactics should be coordinated for additional leverage through Warren County’s two regional partnerships. For example, the Cincinnati USA Partnership has a very robust retention/expansion program to add significant support to Warren County’s businesses.

Establish the Retention Team – Volunteers are the heart of any retention program. Key steps include:

- Conducting detailed training program(s).
- Design Field Interview Forms, letters and telephone scripts.
- Create 2-3 person teams to make calls using letters, telephone appointments and professional Field Interview Forms.

- Record all progress and plan follow-up using the Synchronist Business Information System[®]. We applaud the Warren County Board of Commissioners and its Office of Economic Development for investing in this useful software.
- Develop a hot-response system to address concerns of local employers.
- Call on the top 20 firms within the first 60 days and all major businesses the first year.

Corporate Headquarter Visits - This project involves face-to-face visits with out of town top decision-makers of your local companies and should always be discussed with the highest official at the local operation. Visits should be done cooperatively with prospecting calls in order to be efficient. These trips should be coordinated with and attended by the regional economic development team members.

Form a Facilities Manager/CEO Association - Begin with informal meetings with pertinent topic speakers.

Establish a Relocation Task Force

In order to differentiate Warren County from other parts of the region, a Relocation Task Force should be formed. The objective will be to discuss the most critical issues pertaining to relocating management and skilled personnel to the County, including incentives. This task force should be comprised of human resource managers, professional recruiting companies, university officials and others dealing with relocation issues. Coalitions can be formed to have recruiting missions in major cities to meet and discuss with companies committed to moving their facilities the logistics of the personnel move (Sioux Falls, SD has such a coalition).

Entrepreneur Program

Another activity that should be considered part of the overall economic development program is the establishment of an Entrepreneurial Program. This can be an extremely effective program if linked with appropriate funding opportunities. The components of this activity should include: the creation of an advisory group that will work with identified entrepreneurs and assist them in what is needed to start a business; linkage to various angel (Queen City Angels) and venture investment groups to market the concepts and plans for potential funding, and; a location that the start up business can operate for a period of time under a reduced cost format (incubator).

There are a number of these programs located in the Greater Cincinnati and Dayton area, and they should be further researched to determine if they are a good match for Warren County. The greatest benefit to any area considering such a venture is that they are growing their own future employers, who will in all likelihood continue to grow and potentially prosper within the County.

V. OTHER MARKETING MATERIALS

A number of other marketing materials will be necessary. The following should be developed within year one.

Community Profile - The most critical marketing piece is the ED Profile. The profile contains statistical information on the following areas:

- Population related
- Labor and wage related
- Taxes and government
- Sites & buildings
- Incentives & financing
- Education/schools
- Quality of life elements.

The profile should also be placed on your website in an Excel format according to site selection standards. It is recommended again that Warren County look closely at the standards provided by IEDC, which has worked closely with site selectors to develop this recommended system.

Gifts/Favors - Small gifts are an excellent way to say “thanks” to prospects and site selectors. Gifts produced locally or with a local flavor are good ideas.

Advertising - Advertising is not recommended during year one. However, advertorials are useful but normally successes need to take place before stories can be written. In the future, if budgeting permits, ads should be placed only in trade journals of target industries.

General Research - The need to complete and update materials is an important ongoing process. Some suggestions include: building and site files; cost of living data (ERI is more reliable than ACCRA); retail and construction data; and custom wage surveys (purchase ERI data instead).

VI. CONCLUSION

The results of this three phase analysis indicates that Warren County should concentrate its resources in the areas where there is a greater return on their potential investments. These are:

- Concentration of infrastructure and marketing support on the top five recommended business sites.
- Creation of a direct marketing program to the five identified regional industrial clusters, ie: Biotechnology/Life Sciences; Distribution Warehousing and Logistics; Plastics and Chemical; Aerospace; Automotive.
- Creation of a series of locally based incentive programs at the County level.
- Implementation of those incentive programs at the County and possibly local level.
- Greater involvement and participation in the regional marketing efforts of both the Cincinnati USA Partnership as well as the Dayton Development Coalition.
- Deliver an educational program to the residents and stakeholders of Warren County on what critical issues are impacting the economic development process.
- Further strengthen the Business Retention program in Warren County.
- Require and fund continuing education activities for the professional staff at the state and national levels.

By using the recommendations and strategies identified in this analysis, the Warren County Board of Commissioners and its Office of Economic Development will be in a position to take a leadership role in the systematic and balanced growth of Warren County and the region.