

CEP's 2016 Year in Review and a Look Ahead for 2017

The Champaign Economic Partnership's executive board – President Todd Michael, Vice President Andy Yoder and Treasurer Bill Heitman – offer the following review of CEP's first full year of operation and CEP's 2017 outlook:

2016 Achievements

Setting the foundation:

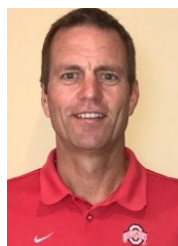
The CEP became established as a "knowledgeable, reliable, welcoming point of contact for anyone wanting to create or expand a business in Champaign County," says Andy Yoder. "The CEP provides the information and tools to do so."

Workforce development:

The CEP partnered with local schools, manufacturers and other businesses to show students the diverse career opportunities available in Champaign County – and to develop training to prepare them. The goal is to keep young people in the community. "When they leave, we don't have the workforce that local businesses need to succeed," Bill Heitman said.

New website:

CEPOhio.com was created as the virtual front door to economic development opportunity in Champaign County (turn to Page 2 for more on the website).



Todd Michael



Andy Yoder



Bill Heitman

Good stewardship: The CEP operated within budget, supported by public and private funding, and carried over a balance to support economic development in 2017.

2017 Outlook

The CEP playbook: The CEP, with assistance of Clark

State students, is developing this guide as a comprehensive reference for businesses and individuals interested in starting, relocating or expanding a business in Champaign County. The playbook, which will be available on

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Promising Economic Development Projects to Watch in 2017

The Champaign Economic Partnership is currently working on about 15 economic development projects. These include possible new businesses and business expansions.

Here are a few major projects to watch this year. They have the potential to add and retain jobs and increase local tax revenue.

Proposed Navistar Warehouse

To accommodate a new joint venture with General Motors, Navistar is proposing construction of a 355,522-square-foot warehouse at 915 Phoenix Dr. in Urbana.

The \$12 million facility, which would store \$16 million in inventory, would employ an estimated 114 Navistar employees now working in the company's current Urbana facility on Edgewood Avenue, plus 27 Navistar employees who would move from a facility in Xenia – and 13 new full-time employees. This would account for a total payroll of \$6.789 million.

The project hinges on approval of a Community Reinvestment Act (CRA) tax abatement applied for by Navistar and Damewood Enterprises, which owns the 24 acres where the warehouse would be built. The application seeks a 100 percent tax abatement for 10 years – after which, it would be taxed in full. The application has been approved by the Urbana City Schools Board of Education and is pending approval by Urbana City Council.

If the proposal is not approved, Navistar could build the facility at another site under consideration, moving the existing 114 jobs from Urbana. If approved, construction could begin in March and be completed in December 2017.

Q3/JMC Property Transferred to City

The former Q3/JMC Inc. building on Miami Street in Urbana – vacant since 2008 and partially destroyed by a 2015 fire – is expected to be transferred to the city of Urbana by mid-February. This clears the way to clean up the property

and prepare it for productive use by a new owner. In December, the Champaign County Board of Revision agreed to transfer the property to the city, free and clear of delinquent taxes and assessments, which totaled \$264,396.24. This ended the city's two-and-a-half-year process to acquire the vacant property.

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Champaign County ... Open for Business

Linda Pastori, left, stands with CEP Director Marcia Bailey in front of Pastori's antiques shop, My Old Ohio House on Scioto Street in Urbana, and the "open" flag she bought from the CEP. The CEP offers the flags to all Champaign County businesses as a sign that Champaign County is open for business.

Businesses Encouraged to Attend Wage and Benefits Survey Meeting

A five-county wage and benefits survey will begin after a rollout meeting for businesses, 1:30 to 3 p.m. Thursday, Jan. 19 at Urbana University's Student Center. The survey was initiated by the CEP after local businesses expressed a need for it. For information, contact the CEP at 937-653-7200 or info@cepohio.com.

The survey – covering Champaign, Clark, Logan, Madison and Union counties – will be led by Wendy C. Gradwohl, Ph.D., associate professor and chair of the Department of Business at Wittenberg University.

Results, available by the third quarter of 2017, will help businesses see how their wages and benefits compare in the market – to help them stay competitive in recruiting and retaining employees.

The Jan. 19 meeting will help businesses understand the project and how to apply the collected data to strengthen their businesses.

CEP Retooling Website:

To Add More Business Development Resources

The Champaign Economic Partnership (CEP) will update its website, CEPOhio.com, early in 2017 with a greater focus on resources that assist new and expanding businesses succeed in Champaign County. The website was originally launched in late 2015.

Planned improvements include:

- An expanded listing of available commercial land and buildings
- Resources to help businesses find the qualified workforce they need for job openings
- Information on economic development incentives to promote business and job creation and expansion

A key addition to the website will be the CEP's "playbook," which is under development. The playbook will guide business developers through the process of starting or expanding a business in Champaign County. It will include information about local and state resources critical to business success, such as real estate, zoning, building and sign regulations, infrastructure, workforce development, tax incentives, finances, and local, regional and state economic development partners.

"As the economic development agency serving all of Champaign County, the CEP serves as the starting point for local business development," CEP Director Marcia Bailey said. "We will offer businesses our economic development playbook as an easy-to-use resource to help smooth the planning process and prevent missing any key steps along the way."

Website Activity Growing

Since the website's launch, about 2,600 unique visitors have viewed 8,100 pages in about 3,700 sessions. Ryan Berry and Chris Anders of Berry Digital Solutions, which developed the site and will be upgrading it, report that 1,077 sessions, just under 30 percent of the total, were by Urbana users. The next most frequent visitors were from Columbus, Springfield, Cincinnati and Dayton. The site has also attracted visitors from Boston and New York, as well as a few visits from other countries.

Bailey said that several visitors have followed up with phone calls to learn more. Examples include two out-of-state consultants, one looking for property for an agricultural business, and the other, considering a vacant building for a retail business. Both could lead to new investment and jobs.

Projects to Watch in 2017

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County Assistant Prosecutor Jane Napier was quoted in the *Urbana Daily Citizen* regarding the transfer: "This is a really good example of a cooperative effort between the city and county entities."

In return for the county waiving the delinquent taxes, the city developed a plan to return the property to productive use. This involves a three-party agreement being developed among the city, a developer to be identified once the agreement is finalized, and Honeywell Aerospace, which would be responsible for remediating contaminated groundwater, for which the company became responsible when it acquired Grimes Aerospace. The developer would oversee the project and receive nearly \$900,000 in grant funding to clean up the site.

Memorial Health Medical Building

Construction of a 30,000-square-foot medical building in Urbana is pending state approval of a proposed enterprise zone tax abatement applied for by Memorial Health of Union County and the building developer and owner, Urbana MOB, LLC.

Under the proposal, Urbana MOB as the property owner would receive a 10-year, 75 percent exemption on real property taxes that result from the construction, estimated to cost \$9,993,000 to \$10,703,000. The building site, which is within city



Drawing of proposed Memorial Health building.

limits, is currently zoned agricultural, generating about \$435 a year in real estate taxes. The new construction will provide a valuable addition to the city's eastern gateway and complement neighboring businesses.

The medical building will increase taxable value of the property and city income tax collections. A condition of the enterprise zone agreement is that Memorial Health must, by April 2023, create 12 new full-time permanent jobs and retain the 16 full-time positions that will move from Memorial Health's current Urbana location on Scioto Street.

Pending approval of the enterprise zone, construction is expected to begin in the second quarter of 2017 and be completed by the second quarter of 2018. The building will be constructed in the Urbana Commons Planned Unit Development at the northwest corner of the East U.S. Route 36 and North Dugan Road intersection, east of Wal-Mart.



ATP Hosts Job Shadowing

Justice Griffith, a Graham High School junior who studies electronics engineering at Ohio Hi-Point Career Center, recently job shadowed Gary Boggs (at left), extrusion and maintenance manager for Advanced Technology Products in Milford Center. Justice observed how the company manufactures tubing, spiral recoil hoses and accessories, as well as how the company cleans extrusion machines. Also while there, Justice observed an electrical contractor install new conduit and wiring for offices.

The Champaign Economic Partnership helped arrange the opportunity for Justice so he could complete class requirements.

If your company has job shadowing or internship opportunities for high school or post-secondary students, please contact the CEP at 937-653-7200 or info@cepohio.com. We partner with schools and can help you find candidates. This is just a part of our campaign to prepare the local workforce for existing and expanding opportunities.

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the CEP website, will include important contacts and information on zoning, signage, infrastructure, real estate, financing, workforce and tax incentives, and more – all resources critical to success.

Reclaiming abandoned properties: The CEP will work with local government to assist in the transfer and sale of vacant, nuisance properties to developers that will return them to productive use.

Workforce development: Partnerships will be continued with schools and employers to meet current workforce needs and to attract new business to Champaign County. The CEP also will promote local job opportunities.

CEP Offers Local Officials Workshop on Tax Incentives

The Champaign Economic Partnership (CEP) provided local government officials a free workshop, Tools for Successful Economic Development, to learn about the variety of tax incentives available in Ohio to promote business development.

Chris Schmenk, of counsel for Bricker and Eckler, LLP, and former director of the Ohio Development Services Agency (ODSA), led the training Jan. 13 at the Urbana office of Pioneer Electric Cooperative. City, village, township, county and school district officials attended.

Most of the tools she covered provide temporary tax exemptions in return for investing in business creation or expansion and retaining or creating jobs.

CEP Director Marcia Bailey explained, "Tax incentives vary, but they typically exempt a portion of taxes on business improvements for a specific time, after which the business pays the full amount of the tax to support local government services and infrastructure. Tax incentives are designed to encourage business and job growth, which benefits Champaign County and local citizens."

Schmenk covered the following economic development tools:

Enterprise Zones (EZ), areas designated by municipalities and counties, in which businesses can be offered exemptions on real and personal property taxes for establishing, expanding, renovating or occupying a facility and creating or retaining jobs.

Community Reinvestment Areas (CRA), also established by municipalities and counties, in which tax abatements may be offered for revitalizing existing business or residential properties or developing new structures.

Tax Increment Financing (TIF) Districts, which can be established by municipalities, counties and townships. In lieu of taxes, property owners may make payments to a TIF fund that finances public and infrastructure improvements.

Joint Economic Development Districts (JEDD), special purpose districts created by contract between a municipality and township to promote economic development and employment. JEDDs enable a district-wide income tax and provision of municipal services to unincorporated areas, without annexation.

Downtown Redevelopment Districts, a new economic development tool for municipalities to promote redevelopment of designated areas that must include at least one historic building. These may include property tax exemptions related to redevelopment.

For more details, view the slides of the workshop presentation under the News tab at CEPOhio.com or by visiting the ODSA website, development.ohio.gov. Look in the Business Grants, Loans and Tax Credits section under the Business tab. And more information will be published in the Spring 2017 CEP newsletter.

Have Ideas for Future Workshops?

To increase understanding of economic development issues, the CEP will provide other public training sessions. The CEP is open to suggestions for workshop topics. Please contact us with your ideas at 937-653-7200 or info@cepohio.com.



CEP Honors Local Manufacturers

Steve Hess, Champaign County commissioner and CEP board member, shakes hands with Rick Finkbine, executive vice president of Hughey & Phillips, LLC, one of several local manufacturing companies recognized at the CEP's Manufacturing Day breakfast for boosting the Champaign County economy. Behind them are Mechanicsburg Mayor Greg Kimball and Urbana Mayor and CEP board member Bill Bean.

Also in observance of Manufacturing Day, the CEP, local schools and manufacturers organized plant tours and other activities to educate high school students about manufacturing careers (covered in the Fall 2016 edition of CEP Developments).

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