



ATHENS COUNTY ECONOMIC DEVELOPMENT COUNCIL

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN



Presented by

David J. Robinson & Nate Green

The Montrose Group, LLC

January 2017



The Montrose Group, LLC

CONTENTS

ABOUT THE MONTROSE GROUP, LLC	1
THE ASSIGNMENT	2
EXECUTIVE SUMMARY	3
<i>GOAL</i>	3
<i>OBJECTIVES</i>	3
<i>STRATEGIES</i>	4
<i>TACTICS</i>	4
ECONOMIC ANALYSIS	5
WORKFORCE ANALYSIS	11
COMMUNITY BENCHMARKING COMPARISON	16
ECONOMIC CONCLUSIONS	19
<i>ATHENS COUNTY SWOT ANALYSIS</i>	19
COMMUNITY AND BUSINESS LEADER INPUT	20
<i>ATHENS COUNTY COMPREHENSIVE ECONOMIC DEVELOPMENT PLAN COMMUNITY INPUT QUESTIONNAIRE</i>	20
Eight Economic Conclusions about Athens County	
Community/Business Leader Questionnaire	



The Montrose Group, LLC

ACTION PLAN EXECUTIVE SUMMARY

RETOOLING ACEDC

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 1

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 2

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 3

Site Development

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 4

Land Use/Economic Development Plan

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 5

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 6

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 7

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 8

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 9

Infrastructure Funding

Site Marketing

Technology Commercialization

Technology Commercialization Framework

County Funding

Bank Funding

Foundations

Local Investors

Project Eligibility Requirements

Types of Financing

Athens County Community Fund investment board

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC #10

APPENDIX B - ATHENS COUNTY INDUSTRY DATA

ATHENS COUNTY INDUSTRY BREAKDOWN

ATHENS COUNTY EMPLOYERS BY INDUSTRY SECTOR THROUGH NAICS CODE

ATHENS COUNTY OCCUPATIONS

ATHENS COMMUTING PATTERNS SORTED BY COUNTY OF RESIDENCE

ATHENS COMMUTING PATTERNS SORTED BY COUNTY OF WORK

ENDNOTES

23

27

28

29

30

32

33

35

35

38

39

48

50

50

51

52

53

54

56

ABOUT THE MONTROSE GROUP, LLC

The Montrose Group, LLC provides economic development planning, lobbying, marketing and public finance and incentive consulting services. The firm brings together some of the leading practitioners in economic development planning and strategy engaged in economic development planning at the state, local, and regional levels and corporate site location.



The Montrose Group, LLC

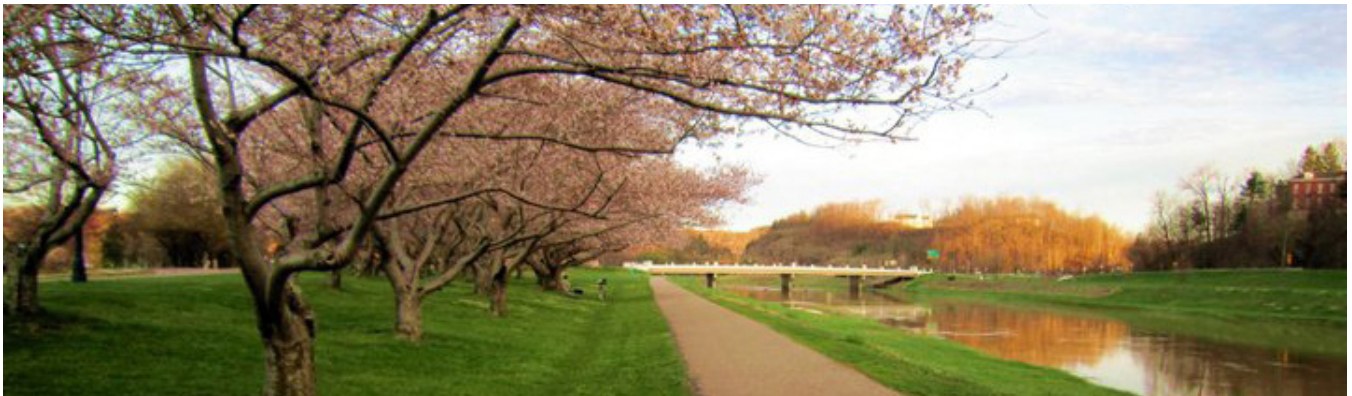
THE ASSIGNMENT

The Athens County Economic Development Council (ACEDC) retained the Montrose Group, LLC (Montrose) to develop a comprehensive economic development strategy for Athens County. Montrose utilized a Learn, Listen and Do approach to the ACEDC strategic economic development plan that starts with fundamental economic development research to understand who a community or site is then listens to what the community wants the region or site to be and then develops a detailed action plan tied to local and outside funding sources centered on the business retention and attraction of high wage jobs and capital investment.

Learn	Listen	Do
<p>Economic development plans first need to define exactly who a community is through research from primary data sources to determine the assets and liabilities of a community.</p> <p>Elements</p> <ul style="list-style-type: none"> • asset inventory • industry cluster & labor analysis <ul style="list-style-type: none"> ▶ company verification • cost competitive analysis • SWOT analysis 	<p>The second step is to listen to community, political and business leaders and the public for what direction the community wants to go.</p> <p>Elements</p> <ul style="list-style-type: none"> • one on one interviews • focus groups • surveys • public meetings 	<p>Finally, mixing who a community is with what they want to become should turn into a concrete action plan to develop high-wage jobs and capital investment.</p> <p>Elements</p> <ul style="list-style-type: none"> • land use and site development plan <ul style="list-style-type: none"> ▶ zoning & funding advocacy ▶ real estate market analysis • infrastructure funding & tax strategy <ul style="list-style-type: none"> ▶ public finance and government funding advocacy • workforce program <ul style="list-style-type: none"> ▶ funding advocacy • marketing <ul style="list-style-type: none"> ▶ community branding campaign ▶ industry campaigns through social, earned and paid media ▶ company targeting <ul style="list-style-type: none"> • direct mail • meeting solicitation • meetings

EXECUTIVE SUMMARY

Athens County has economic challenges and opportunities to create high-wage jobs and capital investments. Athens County benefits from growing national and state economies, the development of regional energy sources and the availability of a large pool of advanced services and technology industry workers graduating from Ohio University and Hocking College. While Athens County has a growing economy, the community is lagging compared to the rest of Ohio with high poverty rates and low income rates driven by a lack of high-wage private sector jobs. Athens County has a dangerous overreliance on government and low wage retail, food service and accommodation jobs. However, Athens County is positioned to grow advanced services and manufacturing jobs in emerging industries such as professional service, health care, energy, data centers, food processing, industrial, and logistics. The community leadership is devoted to economic success but has concerns about the lack of sites prepared for development and the need for available workforce housing and other quality of life issues. The ACEDC strategic economic development plan includes a big goal, measurable objectives, broad strategies and specific tactics to make the action plan a reality.



GOAL

Within five years, Athens County should add 2500 new jobs, cut the poverty rate for children by five points and increase the per capita income by 15% to get closer to the national average.

OBJECTIVES

Athens County should retain all its major private sector employers, attract 10 new employers with over 25 jobs each, develop five new sites prepared for the location of multiple office and industrial companies, and develop an Athens Community Fund to grow small businesses.

STRATEGIES

Athens County should re-tool the ACEDC, get engaged in the site development business, and focus on advanced manufacturing, advanced services and technology industries for future growth.

TACTICS

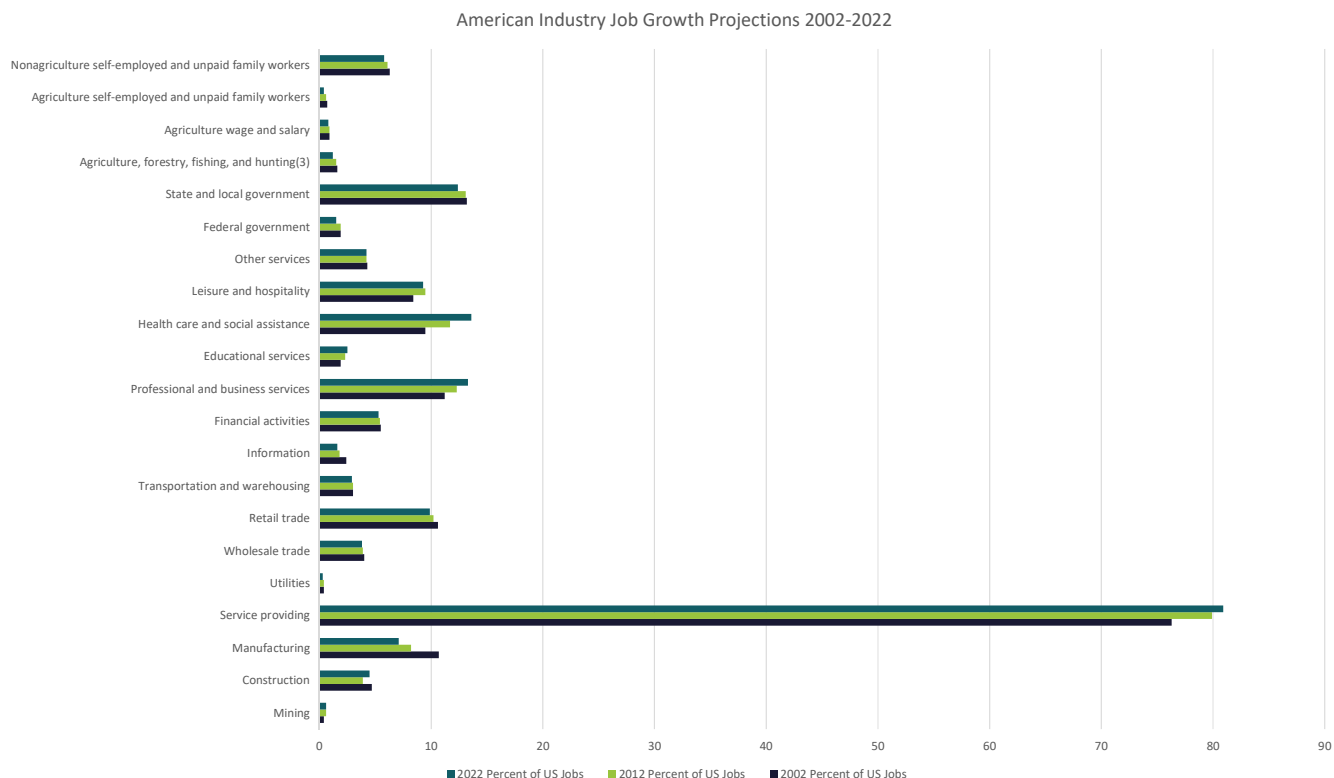
- ACEDC should be re-tooled by increasing its private sector budget support, implementing an aggressive Business Retention and Expansion (BR&E) Program, remaking its web site, and launching a comprehensive economic development marketing campaign for the region targeting manufacturing, advanced services and technology industries for future growth.
- ACEDC should engage in the site development business by developing two industrial parks/ office complexes tied to rail, road, broadband and energy infrastructure focusing marketing efforts on manufacturing, advanced services and technology oriented companies.
- ACEDC should explore the use of the new Ohio Downtown Redevelopment Program to enhance Historic Downtown Athens' redevelopment efforts for additional office space by focusing marketing efforts on small business and advanced services firms along West Union Street connecting Downtown to the Ohio University Innovation Center to O'Bleness Hospital,
- ACEDC should explore developing a major mixed use development at The Ridges on the Ohio University campus to provide a new office, retail and residential development through a private developer partnership focused on advanced services and technology firms.
- ACEDC should explore acquiring the Athens County Fairgrounds for future development purposes.
- Finally, ACEDC should build on an already successful small business and technology based economic development program by developing small businesses and attracting technology jobs through the establishment of an Athens Community Fund and development of a technology accelerator.

ECONOMIC ANALYSIS

Understanding the economy of the nation, region, state and local jurisdiction impacts the implementation of a comprehensive economic development strategic plan. What constitutes the economy, whether the economy is growing, and what industries are growing all impact the development of a comprehensive economic development strategic plan.

The American economy going into the second quarter of 2016 was \$18.436 Trillion and the largest in the world. Real gross domestic product (GDP) increased in 37 states and the District of Columbia in the first quarter of 2016, according to U.S. Bureau of Economic Analysis. The national unemployment rate is 4.9%; average hourly earnings increased to \$25.73; and consumer price index increase just 0.2%. The American economy is operating with low unemployment, rising wages and low inflation. The American economy is a global leader entering 2016 in large part due to the struggles of major global competitors tied to rising manufacturing production costs.

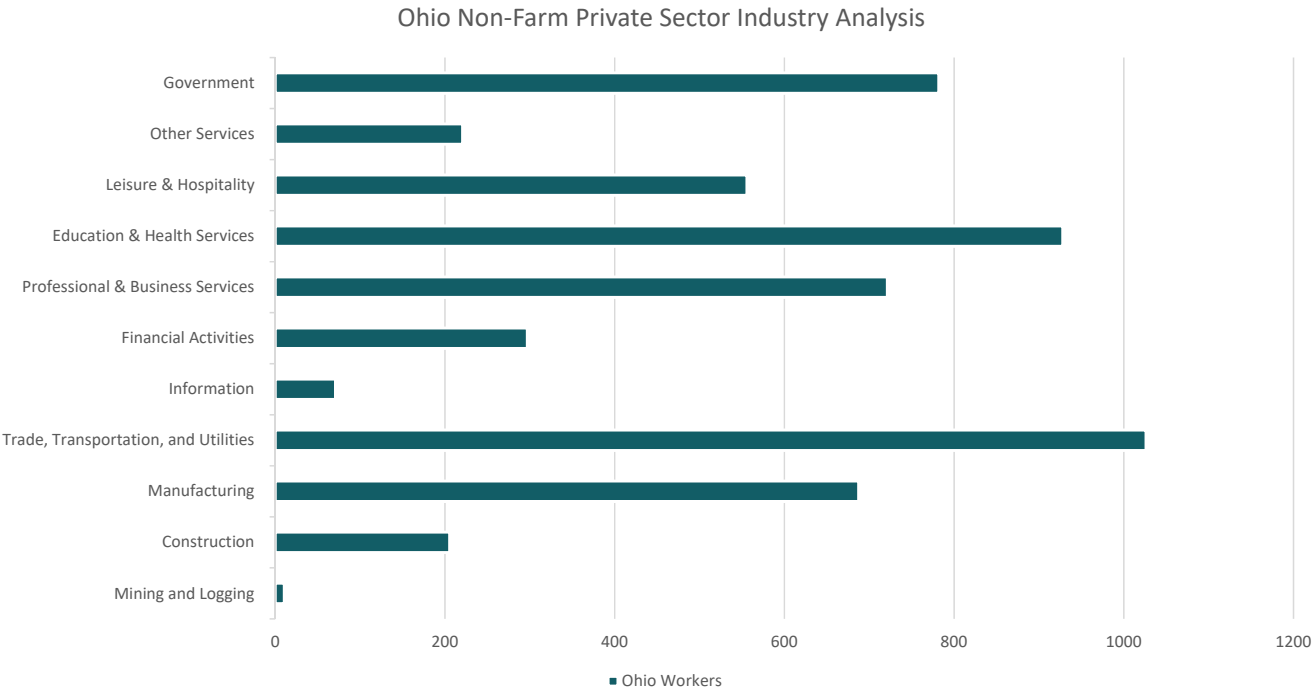
As the chart below illustrates, the industry make-up of the American economy continues to evolve. Since the 1970s, the percent of high-wage manufacturing jobs has continued to decline due to outsourcing of those jobs to global markets and increased productivity of American manufacturing facilities. America is home to the most productive workforce in the world. According to the U.S. Labor Department, it now



takes only 170 workers to produce what it used to take 1,000 workers to produce in 1950.¹ Total U.S. employment is estimated to increase to 161 million in 2022, up 15.6 million from 2012.² The majority of the projected employment growth is in nonagricultural wage and salary workers, who will account for more than 98% of projected jobs in the upcoming period.³

The Industrial Midwest remains an economic powerhouse as a leading center for high-wage advanced services and manufacturing jobs. The Midwest has a 4.5% overall unemployment rate which is well below the national unemployment rate of 4.9%. However, higher manufacturing wage rates continue to threaten the economic growth of the Industrial Midwest as illustrated by the map above. While the Industrial Midwest has lower manufacturing average wages than the west and east coast, those regions lost much of their manufacturing jobs years ago. Instead, the Southern states, with lower manufacturing wage rates, are gaining many of the manufacturing jobs. States like Alabama have the same number of auto-assembly plants as the state of Ohio and a \$600 million Airbus manufacturing facility with half the population.

Ohio’s economy, estimated at \$583 billion, is the 7th largest among the 50 states. Ohio has 5.5 million workers in a wide range of industries, which experienced a 1.5% growth rate over the last twelve months, according to the U.S. Bureau of Economic Analysis.



The state of Ohio GDP grew by 1.4% in 2015, outperforming neighboring Indiana, Illinois, Wisconsin and West Virginia but trailing Michigan and Pennsylvania.

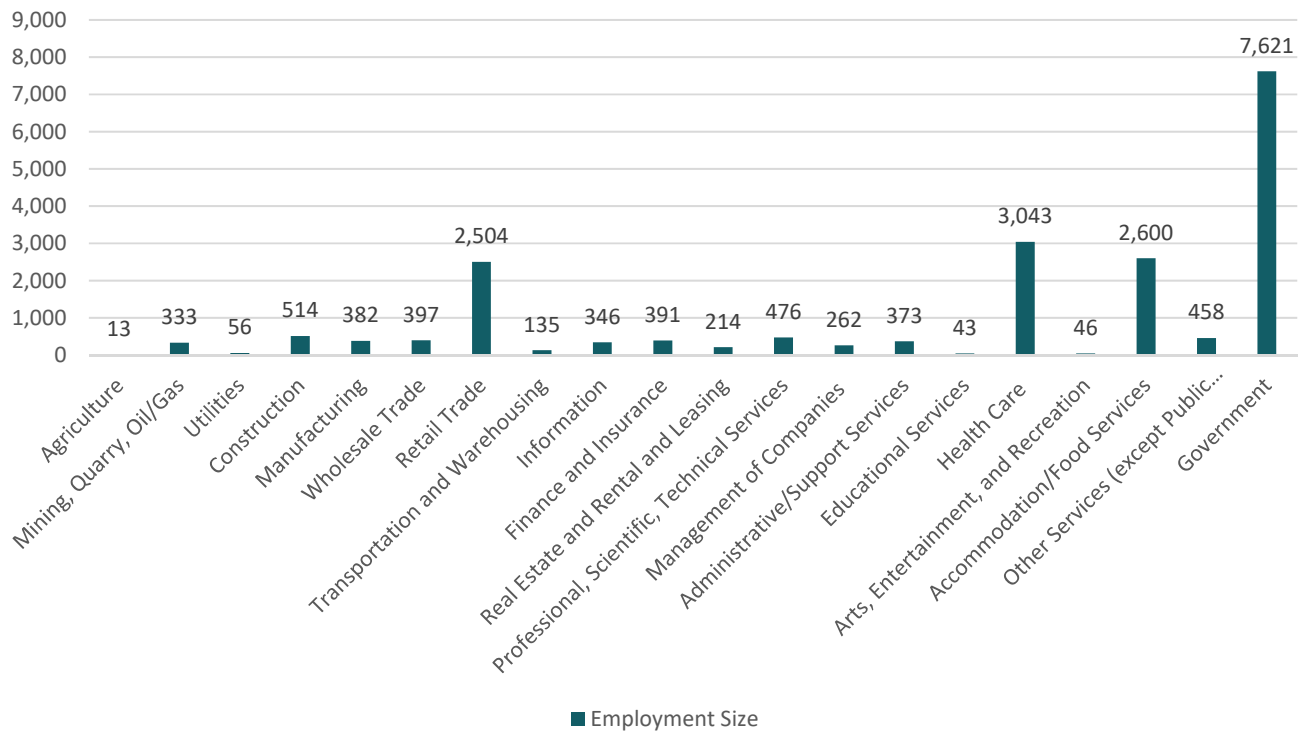
Athens County's economy has grown in recent years but not at the same pace as Ohio. The Athens County, Ohio economy has grown at a 6% rate from 2011 to 2015, but the Ohio economy grew a total of 18% during the same time frame. The Athens County unemployment rate is above both the national average and the state of Ohio. In fact, Ohio's unemployment rate is below the national unemployment rate indicating the Ohio economy is doing better than the nation as a whole.

Athens County has several growing industry clusters. Regional economies grow through the retention and expansion of like, growing industries already located in a region. An economic cluster comprises of a geographic concentration of firms within a particular industry.⁴ Economic cluster strategy permits regions to focus on high wage jobs in which the region has strengths in a growing industry. It permits high cost and low cost regions to succeed with less of an emphasis on cost of doing business issues.

Athens County is heavily weighted from an employment perspective in four industry sectors: Government, Accommodation and Food Services, Retail Trade, and Healthcare and Social Services. The majority of employees that work for Ohio University are defined by the US Census Bureau as being in the Government sector. On the positive side, the location of two public, higher education institutions provides a steady base of employment for the region that provide not just a large pool of future advanced services and high tech workers but also skilled spouses and industrial and health care knowledge from faculty. On the negative side, this reliance on public sector employment is substantial considering the county only has growth in two private sector industry clusters- energy and health care. These private sector jobs provide high-wage occupations but there are simply too few of them to provide the multiplier effect that the county should fund more construction, wholesale trade, and resale trade. Of concern as well is the low amount of technology oriented jobs in the region. Considering the fact that Athens County is home to two public higher education institutions and is connected to the shale boom in Ohio, the private sector job growth in the county is lower than expected. From 2009 to 2014 there has been 3% employment growth across all sectors from 19,596 jobs in 2009 to 20,206 jobs in 2014.

To further illustrate the size of the various sectors in Athens County the Government Sector is the largest with 7,621 employees followed by the Health Care sector with 3,043 employees, the Accommodation/Food Services sector with 2,600 employees and the Retail Trade sector with 2,504. These sectors largely support and are needed and grow due to the presence of Ohio University. The sectors of Professional, Scientific and Technical Services; Energy such as mining, quarrying and oil/gas extraction; Construction; Wholesale Trade; Management of Companies; Information; and Administrative and Support Services are not large by comparison but offer the greatest potential for growth in Athens County outside of Ohio University.

Athens County Industry Sector by Employment

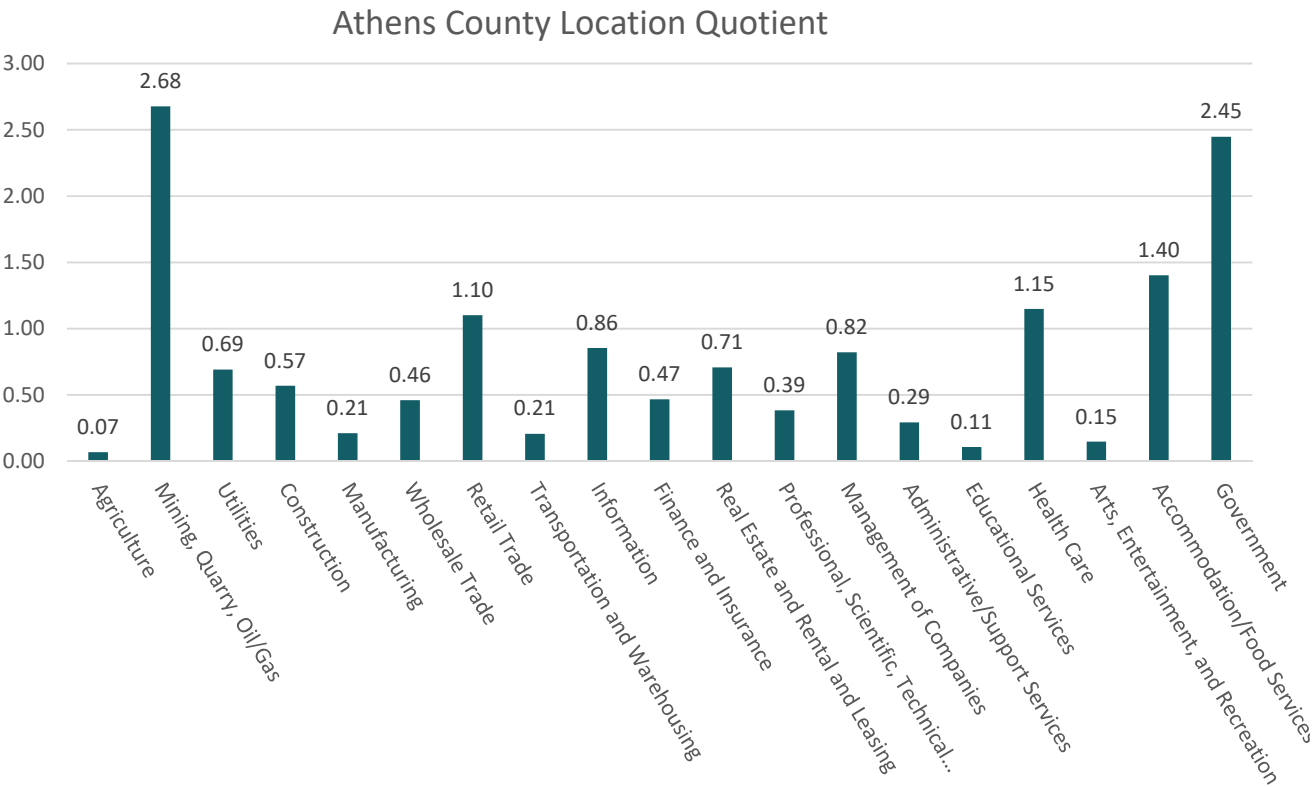


Source: US Census Bureau

Over the past 5 years there have been several sectors that have experienced considerable employment growth: Management of Companies at 352%; Energy at 119%; Educational Services at 105%; and Administrative/Support Services at 47% growth. Sectors that have experienced mid-level growth include: Wholesale Trade at 21%; Construction at 16%; Accommodation/Food Services at 13%; Professional, Scientific and Technical Services at 7%; Information at 6%; and Government at 6%. Those sectors that have experienced a decline in employment include Agriculture at -55%; Utilities at -29%; Manufacturing at -16%; Retail Trade at -16%; Finance and Insurance at -6%; and Health Care at -4%.

Location quotient is an indicator of the economic concentration of a certain industry in a state, region, county or city compared to a base economy, such as a state or nation. A location quotient greater than 1 indicates a concentration of that industry in the area. A location quotient greater than 1 typically indicates an industry that is export oriented. An industry with a location quotient of 1 with a high number of jobs present is likely a big exporter and is bringing economic value to the community feeding the retail trade and food services sectors. As the chart below indicates, the government sector is the leading industry from a location quotient perspective at 2.45. This means that Athens County has a 2.45 times greater concentration of government employees than the State of Ohio on average. Combine the

location quotient factor number with the fact that the government sector also employs the largest number of people in the community and we can see that government has a large economic impact on Athens County. The main reason that this sector is so dominant is the presence of Ohio University and to a lesser extent Hocking College. The other sector with a high location quotient is energy sector as reflected by the NAICS codes for mining, quarrying and oil/gas exploration.

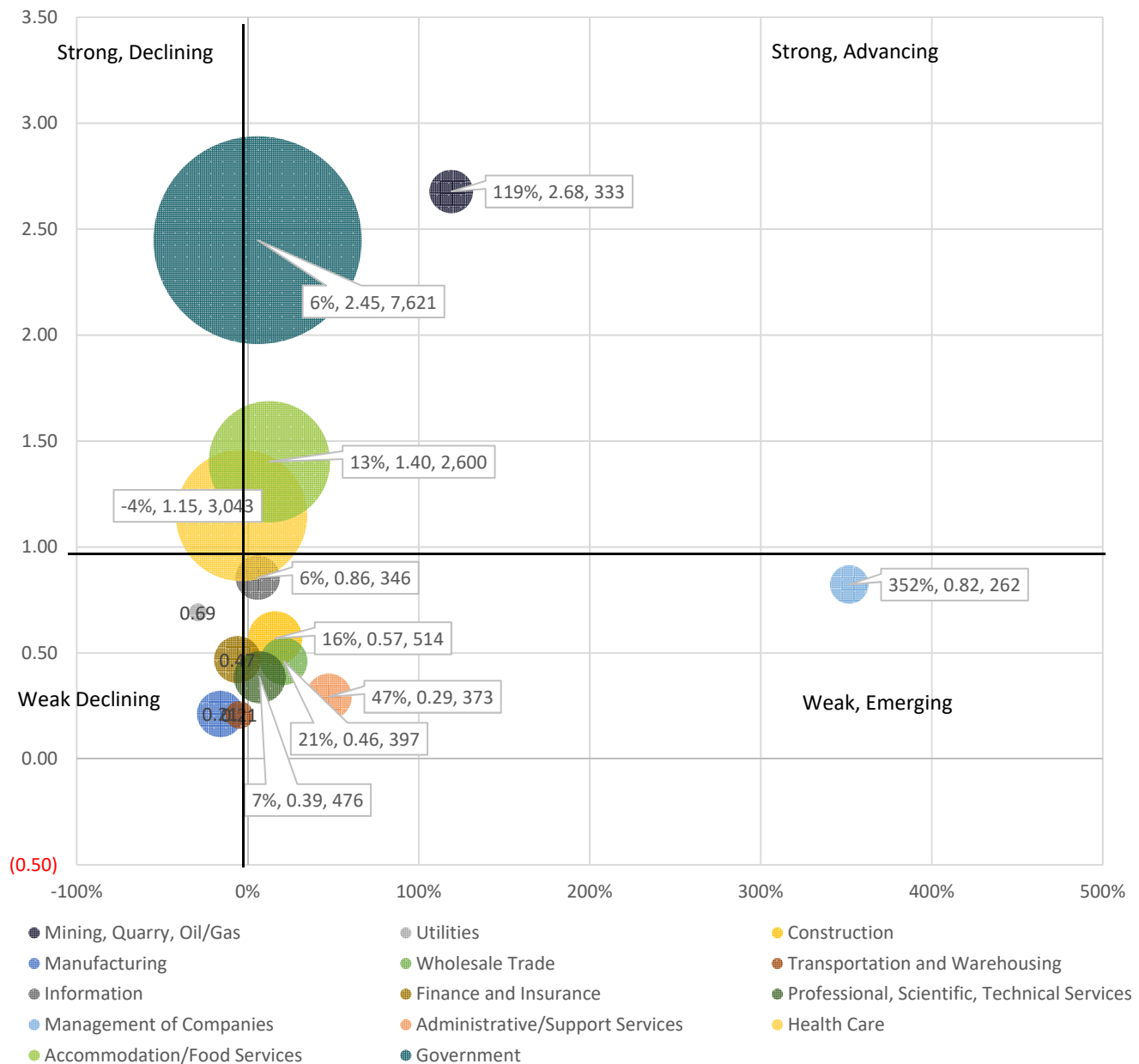


Source: US Bureau of Labor Statistics

Examining the bubble chart of sectors that are strong and advancing, strong and declining, weak and emerging, and weak and declining we see some interesting trends. Government; Accommodation/ Food Services; and Mining, Quarrying and Oil/Gas Extraction; are all strong and advancing with positive employment growth and a positive location quotient. Management of Companies; Information, Construction; Administrative/Support Services; Wholesale Trade; and Professional, Technical and Scientific Services are all weak and emerging. The value of these sectors is that they have the potential to grow further in the next 5-10 years with the proper amount of attraction efforts and small business and entrepreneurship services. The weak and emerging industries, while not large today, are likely engaged in activities at the Innovation Center, or are engaged in the energy sector boom. The only sector that is strong and declining is healthcare. This is not all that surprising given that the largest employer in the

sector, O'Bleness Hospital merged with Ohio Health. This merger caused some loss of jobs in the sector due to consolidation and efficiency efforts. This sector should not be overlooked however, as it is the leading industry sector in the state of Ohio from an employment and growth sector and is the 2nd largest sector from an employment perspective in Athens County.

Athens County Location Quotient



Source: US Bureau of Labor Statistics

WORKFORCE ANALYSIS

A region's workforce is a critical measure of its economic success. The retirement of the Baby Boom generation and a lack of alignment between industry and higher education are creating widespread shortages in qualified workforce even in times of high unemployment. An examination of a community's workforce has three distinct components: the size, unemployment rate, and education level of the workforce; the occupation and earnings of the workforce; and the commuting patterns of the workforce.

Athens County has a labor force of 30,038 with a little over 26,500 people actively employed.

Athens County Workforce Economic Snapshot

Athens County Workforce Statistics	Economic Data Points
Civilian Labor Force	30,038
Employed	26,580
Unemployment Rate	5.50%
Mean Travel Time to Work (mins)	20.2
Median Household Income	\$33,773.00
Median Family Income	\$50,820.00
Per Capita Income	\$17,069.00

Athens unemployment rate is slightly higher than the national rate and the state of Ohio rate. From an unemployment standpoint, Athens County is an economic star among Ohio's Appalachian Counties. While unemployment is lower in Athens County driven in large part by location of Ohio University, the large number of underemployed college students also drives down the average income rate of Athens County. However, the lower income rates also indicate Athens County is a less expensive place to do business.

The size of a region's workforce is a relevant discussion point as larger markets attract additional economic investment. While Athens County is only the 40th largest county in the state of Ohio, it is relatively large for the Appalachian Region and competes with similar sized Southeast Ohio counties such as Washington, Lawrence, Muskingum and Tuscarawas to be the economic leader in Southeast Ohio.

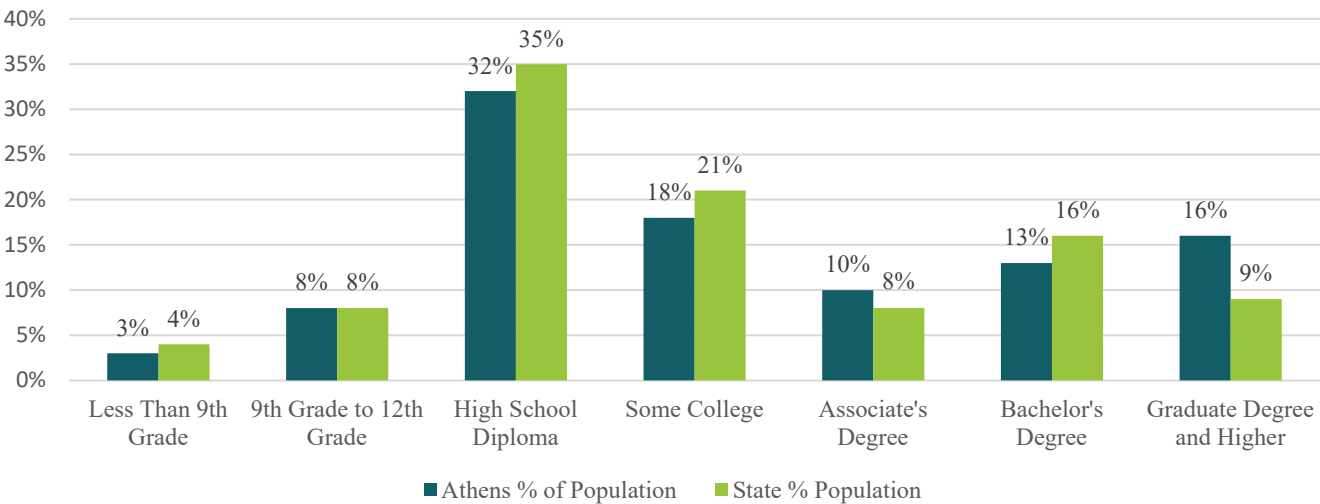
Southeast Ohio Regional County Workforce Comparison

Southeast Ohio County	Unemployment Rate	Median Household Income	College Grad Rate
Athens	5.5%	\$33,872	39%
Washington	6.7%	\$38,970	16.6%
Lawrence	6.5%	\$42,874	14.8%
Muskingum	6.2%	\$41,130	16.6%
Tuscarawas	5.6%	\$45,310	14.7%

Comparing Athens County to its Southeast Ohio competitors illustrates the labor force costs more but the unemployment rate is lower and the college graduation rate is substantially higher. While Athens County’s median family income rate is higher, it is still slightly lower than the national average. More importantly, the Athens County median family income rate is inflated due to the location of Ohio University and the large share of public sector employees in the labor pool. Private sector wage rates in Athens County are far below national averages and make the county highly competitive for manufacturing jobs in competition with other high-cost markets. Most importantly, Athens County is the only county in Southeast Ohio that produces a base of workers attractive to both the high-technology and advanced services industry that needs college graduates to operate. Athens County’s strategic location in the middle of larger urban centers of Columbus, Pittsburgh, and Charleston create substantial opportunities to develop high-tech and advanced services jobs as Athens is close enough to these urban centers to capitalize on national airports and other services these companies may need.

Due to the presence of Ohio University, Athens County has a higher percentage of its population with an associate’s degree or higher at 39 percent than does the state at 33 percent and the nation at 37 percent. Athens County’s percentage of those with a high school diploma of 32 percent is slightly below the state average of 35 percent but is higher than the national average of 28 percent. This level of educational attainment bodes well for the retention and attraction of industries and occupations that have a competitive effect in Athens County: 1. Healthcare, 2. Manufacturing, 3. Transportation and Material Moving, 4. Life, Physical and Social Sciences, and 5. Architecture and Engineering.

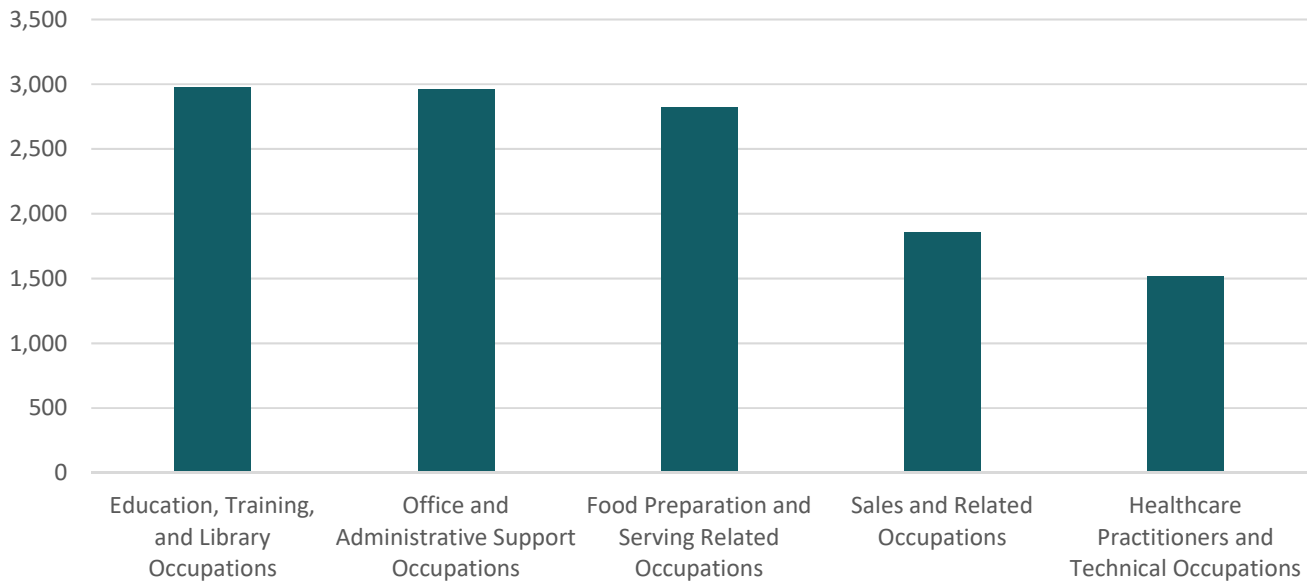
Athens County Educational Attainment



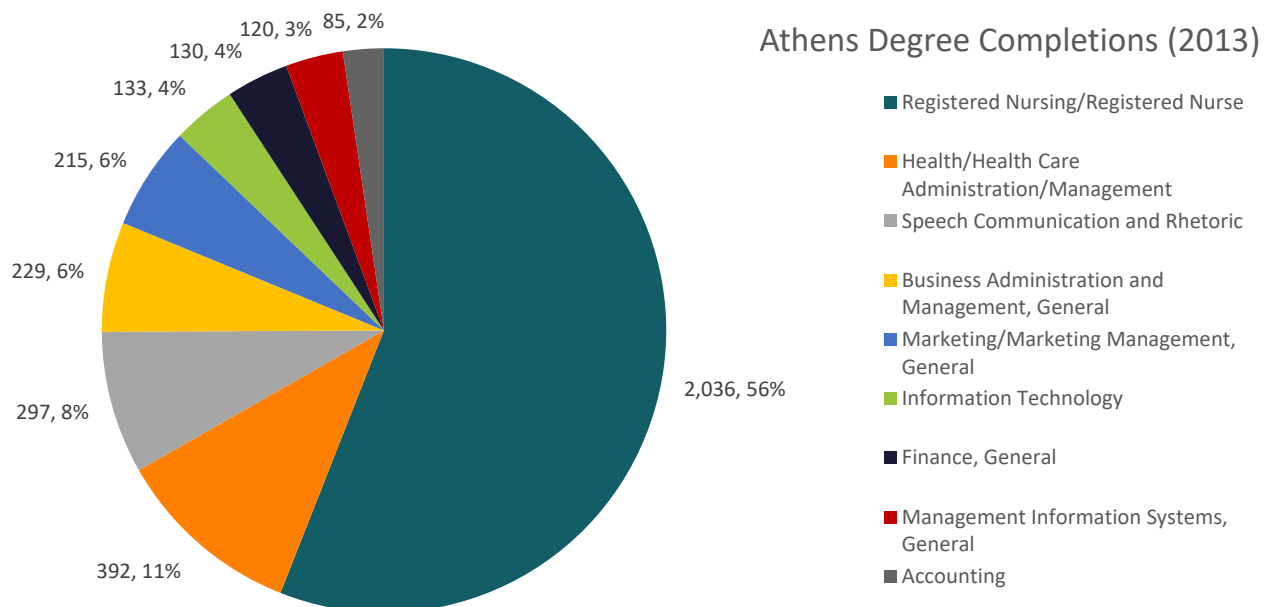
The number of jobs in particular industries is the starting point for measuring a region’s workforce. Athens County has a total of 20,681 jobs in 2016, experiencing growth of 1,142 jobs over the past five years, a 6 percent growth rate. The sector with the largest amount of employees in the County is education

with 2,973 employees. This industry experienced a drop of 181 employees, or 6 percent decline over the past five years.⁵ As the home to Ohio University, education as the leading industry sector is not surprising for Athens County. Education is followed by other service related jobs.

Athens County Jobs



To further illustrate the point, in 2013 there were 9,414 degree completions in Athens County across all occupations. There were 1,208 openings in the County in the occupations related to those degree completions.⁶ As the chart below illustrates, the top occupations of those completed degrees are in the high-wage areas of growth for Athens County: Healthcare; Manufacturing; Transportation and Material Moving; Life, Physical and Social Sciences, and; Architecture and Engineering.



Top 5 Growing Industries in Athens County

- Healthcare
- Manufacturing
- Transportation and Material Moving
- Life, Physical and Social Sciences
- Architecture and Engineering

Job growth by industry sector is another measure of a region's workforce. The largest job growth came from the healthcare sector adding 494 employees from 2011 to 2016, a 24 percent change in that five-year time frame.⁷ This was followed by food preparation and serving operations which added 373 employees. Manufacturing added 89 new jobs which was an 18 percent increase.⁸ This was followed by transportation and material moving occupations adding 126 jobs, a 17 percent increase.⁹ Construction and extraction occupations, closely tied to the oil and gas industry, added 47 new jobs, an 8 percent growth rate in five-years.¹⁰

Most importantly, wage rates for workers in these high-growth industries are lower in Athens County than they are nationally. These lower wage rates provide an economic advantage for Athens County to compete for these high-wage rates.

High-Wage Industry Wage Rate Comparison: Athens County v. U.S.

High-Wage Occupations	Athens County Hourly Wage Rate	National Mean Hourly Wage Rate
Management Occupations	\$37.94	\$49.97
Healthcare Practitioners and Technical Occupations	\$32.39	\$34.95
Architecture and Engineering Occupations	\$31.84	\$35.97
Life, Physical, and Social Science Occupations	\$31.82	\$32.15
Computer and Mathematical Occupations	\$29.28	\$36.44

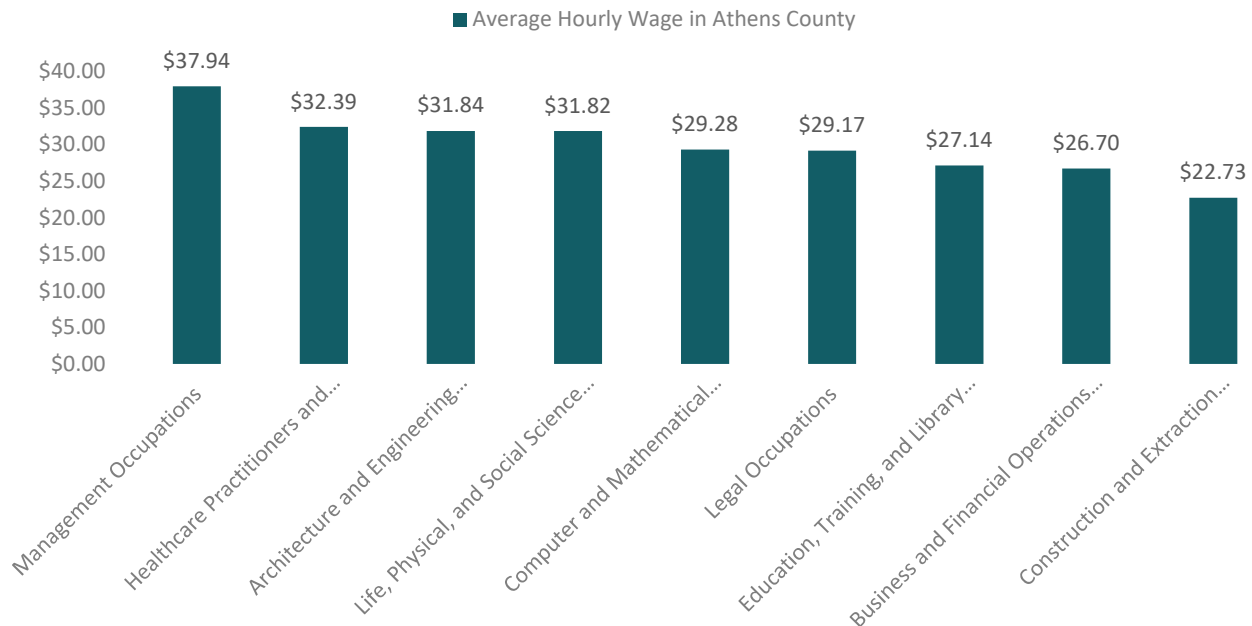
As the above chart indicates, the top high-wage occupations growing in Athens County provide high-wage jobs for the region but are in all cases below the national average wage. Thus, Athens County is at a competitive advantage for the recruitment of these jobs to Southeast Ohio.

Athens County's workforce can also be measured from a "competitive effect" standpoint—determining which high-wage occupations grew at a greater rate than the national average over the last five years we find some surprising and telling trends. The Competitive effect is one of the most intriguing measures of a community's past and future. It has a predictive measure that shows if we concentrate in these areas from a retention and attraction standpoint, we are likely to see additional growth in these sectors over the coming five years as it illustrates the development of an industry cluster. However, the salary of those jobs in growing sectors impacts whether a region should focus on continued job growth in this sector.

For instance, while Food Preparation and Serving is the sector largest occupational sector, it had a negative competitive effect over the past five years and would be unlikely to add to the economic growth going forward if we focus on attracting companies in that occupational sector. Alternatively, if we examine manufacturing, Athens County outperformed the nation in the attraction of these occupations over

the past five years so we would be wise to focus efforts going forward on manufacturing occupations. Manufacturing jobs have an average hourly wage of \$17.08 while Food Preparation and Serving jobs have an average wage of \$9.34 almost half that of manufacturing jobs. Had the county grown in all of the occupations present at the national average it would have added 1,745 jobs over the past five years. Efforts to gain employment in the most competitive sectors and those that have the greatest location quotient would grow the county even further over the ensuing five years.

Top Competitive Athens County Occupations



The workforce commuting patterns of a region are another critical component in a workforce analysis. If a county is dominated by workers from outside the county, the economic health of that county is likely in jeopardy as they are not producing the workers that their industry needs. Local governments also likely suffer a loss of tax revenues as workers from outside the city or county may not be paying as high taxes as the county workers.

The vast majority of people live and work in Athens County with 84.59% of the workforce staying in Athens County each day to work. This is not surprising given the presence of a large university institution. It speaks to the strength of the County that its citizens can find work locally and do not have to travel far for work. The workforce commuting pattern is largely the reason that the average commute time is 20.2 minutes. When looking at the amount of people that commute to Athens County we find that, beyond the large majority of people that work and live in the County, almost 15 percent of the people that commute to Athens County daily come from the counties bordering Athens. In this respect Athens is clearly a regional draw for jobs and economic prosperity.

COMMUNITY BENCHMARKING COMPARISON

Comparing a community to its economic competitors is an important tool to measure current economic success as well as to provide insight on critical action steps needed to succeed in a global economy. Community benchmarking focuses on both true economic competitors for a region as well as a couple communities that the region aspires to compete against. Community benchmarking should focus on a common timeframe and be based upon research from independent and credible third party sources.

The Athens County, Ohio community benchmarking chart below is based upon 2010 U.S. Census Data and is focused on like communities, rural in nature and often with a university in its center. The Athens County Community Benchmarking analysis compared Athens County to four counties with population greater than Athens County and three counties with population less than Athens County, including: Pike County, KY; San Patricio County, TX; Lea County, NM; Nacogdoches County, TX; Richmond County, KY; and Washtenaw County, MI. Pike County, KY is home to the University of Pikeville and is impacted by coal production & tourism. San Patricio County, Texas' economy is driven by the Eagle Ford Shale development. Lea County, New Mexico is focused on energy as well with the EnergyPLEX project promoting oil/gas, wind, solar, nuclear and biofuels projects. The Economic Development Corporation of Lea County markets region through an angel network, seed funding and private equity to companies in the energy industry.

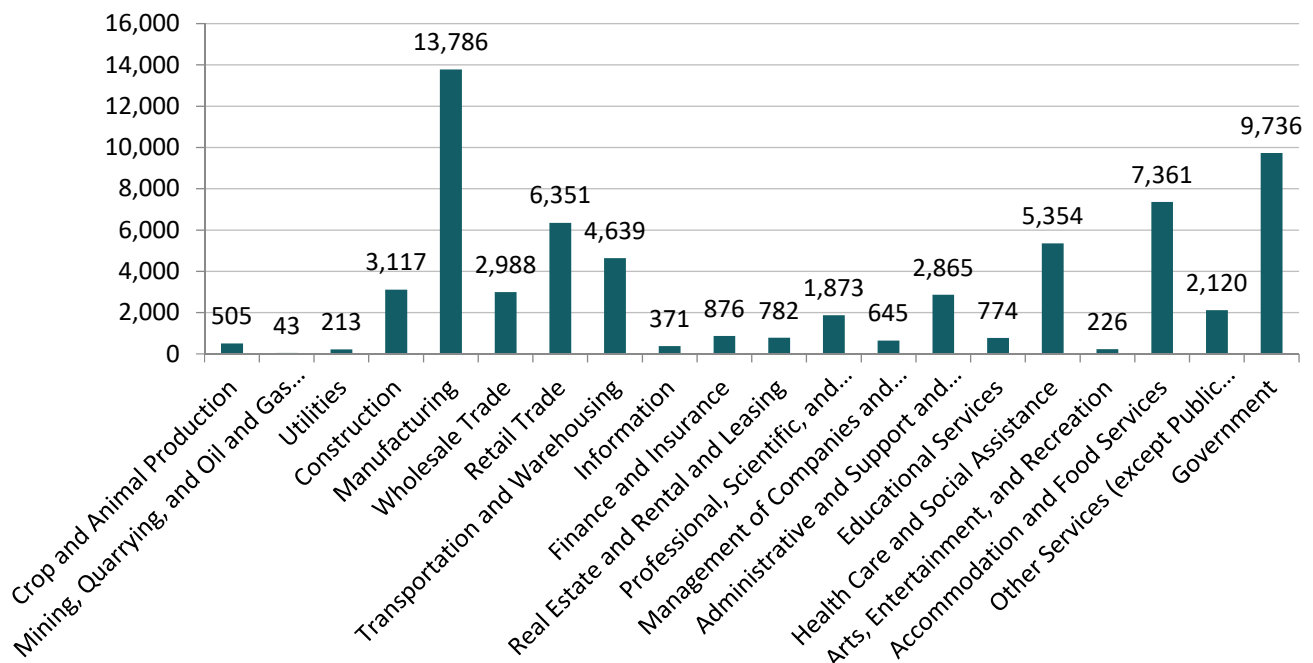
Athens County, Ohio Community Benchmarking Comparison

County	Population	Top Industry, By Employment	Median Household Income	Median Age	Poverty Rate	Bachelor's Degree or Higher %
Pike County, Kentucky	63,034	Health Care, Retail, Mining/Quarrying/Oil & Gas, Accommodation/Food Services, Finance and Insurance	\$32,571	41.0	24.1%	12.5%
San Patricio County, Texas	66,915	Retail, Accommodation/Food Services, Health Care, Construction, Mining/Quarrying/Oil & Gas	\$51,760	35.7	16.3%	14.8%
Athens County, Ohio	64,713	Public Administration, Health Care, Accommodation/Food Services, Retail, Construction	\$33,773	27.0	31.6%	28.8%
Lea County, New Mexico	69,999	Mining/Quarrying/Oil & Gas, Retail, Construction, Health Care, Accommodation/Food Services	\$55,248	31.5	16.4%	12.6%
Nacogdoches County, Texas	65,301	Manufacturing, Health Care, Retail, Accommodation/Food Services, Administrative/Support/Waste Services	\$39,126	30.0	24.3%	25%

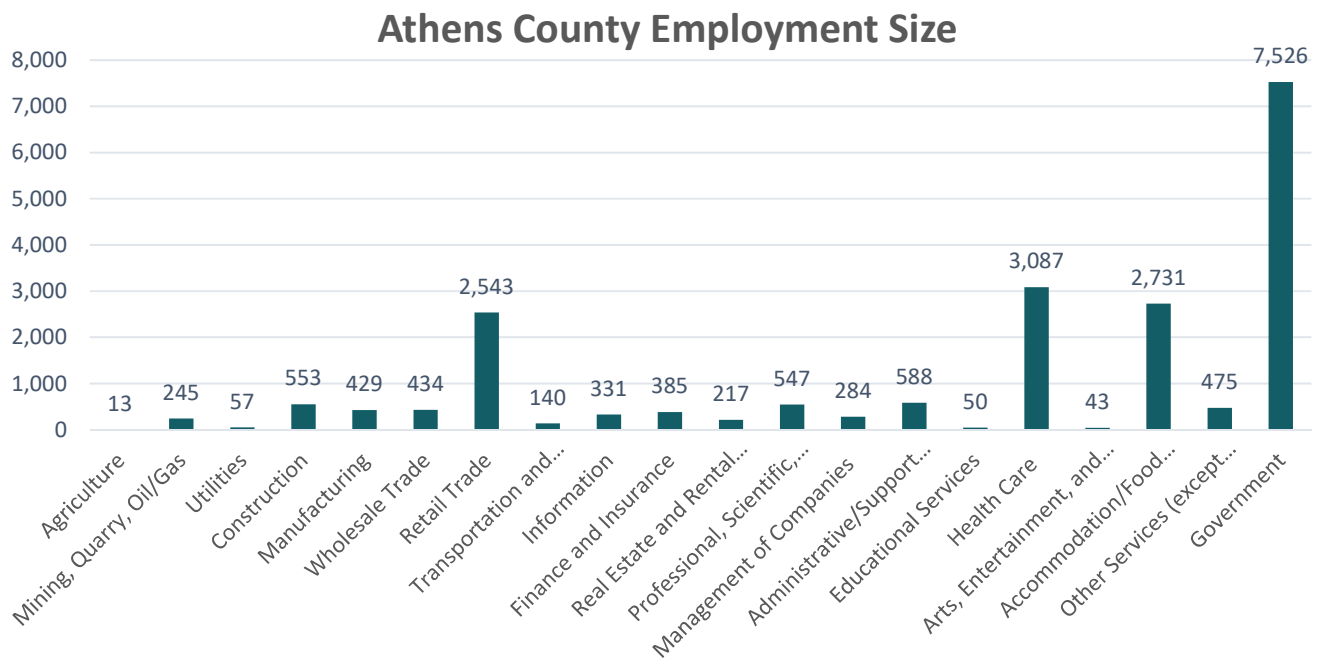
Madison County, KY	82,916	Manufacturing, Retail, Accommodation/Food Services, Health Care, Administrative/Support/Waste Services	\$42,155	33.6	21.7%	28.6%
Washtenaw County, MI	344,791	Public Administration, Retail, Accommodation/Food Services, Professional/Scientific/Technical Services, Manufacturing	\$60,805	33.3	15.2%	51.8%

Nacogdoches County, Texas is home to Stephen F. Austin State University and has a substantial manufacturing center and connection with the university. Richmond County, Kentucky is home to Eastern Kentucky University and has a strong manufacturing center with the Richmond Industrial Development Corporation developing shovel-ready sites. Washtenaw County, Michigan is home to the University of Michigan and Ann Arbor and has a lower poverty rate by half and double the median income of Athens with 51.8% of its population with a bachelor's degree or higher. The Athens County community benchmarking research confirms Athens County, even though it has a higher college graduation rate and younger population than many of its economic competitors has a lower median wage and higher poverty than these communities.

Wood County, OH Industries by Jobs 2016



To further illustrate this point, an economic comparison was made between Athens County and Wood County, Ohio. Wood County is a slightly larger county in Northwest Ohio that is home to Bowling Green State University and Owens Community College, and as indicated by the chart above Wood County has a much strong base of private sector employers driven by the manufacturing industry.



As the charts above indicate, Athens County has a low base of high-wage manufacturing jobs compared to Wood County and has a substantially larger base of government and low wage retail jobs. Driven in large part by the creation of a manufacturing base of jobs, Wood County has grown twice as fast as Athens County since 1970, almost double family incomes, a higher home ownership rate and a poverty rate nearly three times Wood County. The comparison below illustrates the challenges an over reliance on government and low wages jobs leaves Athens County in comparison to Wood County.

County	Population Growth Since 1970	Median Family Income	Home Ownership Rate	Bachelor Degree	Mean Commute Time	Poverty Rate
Wood	46%	\$51,258	67.1%	30.8%	20 minutes	13.5%
Athens	20%	\$33,773	56.5%	28.8%	20.2 minutes	31.6%

ECONOMIC CONCLUSIONS

Several conclusions about the Athens County economy are clear. Regionally, Athens County is a leader but it fails by most comparisons of like communities and the state of Ohio as a whole. Economic struggles are rooted in an over-reliance on government and low wage service jobs. Great opportunities for economic prosperity exist in manufacturing and services tied to growing industries with a large workforce pool driven by the local university and community college.

ATHENS COUNTY SWOT ANALYSIS

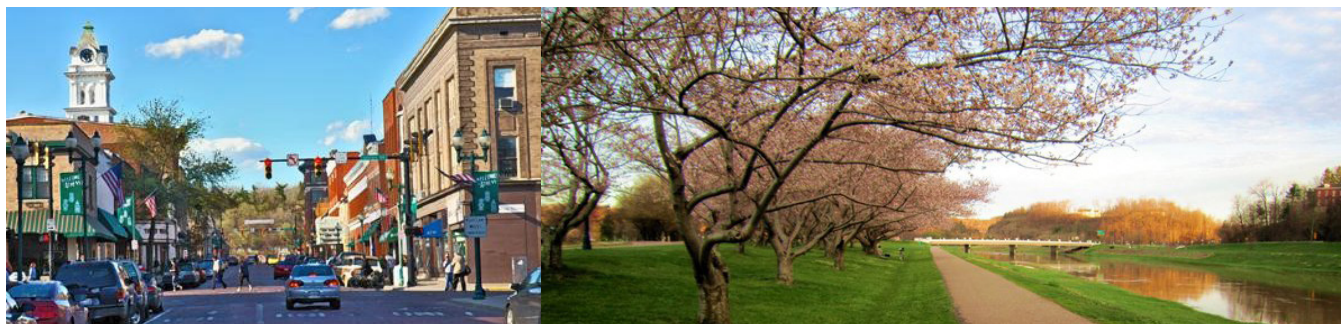
Strengths	Weaknesses
<ul style="list-style-type: none">• The national and state of Ohio economy are growing• Athens County has a relatively low unemployment rate in the region with income rates below the national average both driven by the location of Ohio University• Athens County has a highly educated workforce with college attainment rates above both the national and Ohio average	<ul style="list-style-type: none">• The Industrial Midwest is still a manufacturing leader but is facing mounting pressure from productivity gains and global and southern state markets• Athens County is a growing economy but is lagging compared to the rest of Ohio
Opportunities	Threats
<ul style="list-style-type: none">• Athens County has a base of advanced services jobs but illustrates growth potential in emerging industries such as health care, manufacturing, logistics and energy• Athens County serves as a regional magnet for jobs in Southeast Ohio, Northwestern West Virginia and Southeastern Pennsylvania and serves the vast majority of its residents who do not have to commute out of the county for work	<ul style="list-style-type: none">• Athens County has a dangerous overreliance on government and low wage retail, food service and accommodation jobs for its economy leading to lower wage jobs and high poverty rates• Athens county should diversify its employment and industrial base to provide for even greater economic prosperity

COMMUNITY AND BUSINESS LEADER INPUT

A range of community, business, political and academic leaders were interviewed as part of the community input session. The Questionnaire below was used to gain the input from these leaders to better understand the direction the community wished to go related to the development of high wage jobs and capital investment.

ATHENS COUNTY COMPREHENSIVE ECONOMIC DEVELOPMENT PLAN COMMUNITY INPUT QUESTIONNAIRE

Athens County is one of the success stories in Appalachian Ohio and it drives economic activity for the region. The Athens County Economic Development Council determined it was time to capitalize on the considerable assets of Athens County to capture more high-wage jobs. They hired the Montrose Group to develop an economic development strategic plan to keep that momentum going.



EIGHT ECONOMIC CONCLUSIONS ABOUT ATHENS COUNTY

1. **Athens County has a higher than average unemployment rate** — 30,038 workers in Athens County with an unemployment rate of 5.5%.
2. **Athens County has lower than average income levels** — median household income of \$33,773 which is below the national average of \$53,482.
3. **Athens County's economy is growing** — the regional economy grew by 6% over the last five years.
4. **Athens County's economy relies too heavily on government jobs** — the education sector dominates the economy with low wage service industry jobs such as Accommodation and Food Services, Retail Trade, and Social Services following.
5. **Athens County is highly educated** — Due to the presence of Ohio University, Athens County has a higher percentage of its population with an associate's degree or higher at 39 percent than does the state at 33 percent and the nation at 37 percent.

6. **Athens County is well positioned to succeed in advanced services industry** — the highly educated population positions the county well for high-wage jobs in Healthcare, Manufacturing, Transportation and Material Moving, Life, Physical and Social Sciences, and Architecture and Engineering.
7. **Athens County is a regional economic leader** — 84.59% of the workforce stay in Athens County each day to work.
8. **Athens County has strong job growth potential in key industries** — the largest job growth from 2011 to 2016 came from the healthcare sector adding 24 percent, followed by food preparation and serving operations, manufacturing, transportation and material moving, construction and extraction occupations.

COMMUNITY/BUSINESS LEADER QUESTIONNAIRE

Using the demographic and economic data as a backdrop to the economic development strategic planning process, as a community/business leader in Athens County you are being asked to think through the following questions and provide your thoughts and ideas about where Athens County is today, what has worked in the past, and the path Athens County should go down to ensure wealth is created for communities, businesses and individuals for the next decade.

1. What is your understanding/impression of economic development efforts of Athens County? How would you rate its effectiveness?
2. What should be done to attract and retain young people in Athens County?
3. In your view, what are the priority issues/problems, which currently impact Athens County's economic growth potential?
4. What are the top three (3) objectives which need to be successfully accomplished during the next several years for Athens County's economic development program to be viewed as very successful?
5. What geographical areas of the County should be a focus for economic development?
6. What sectors should we focus on to encourage economic growth (manufacturing, warehousing, retail, and housing)?
7. Should the county make significant investments in industrial/manufacturing sites, fiber, sewer/water and road infrastructure to encourage growth in defined areas of the community?
8. What is the appetite from the private sector to invest, and/or partner in economic development efforts?
9. Will the community support the use of tax abatements and public finance tools like Tax Increment Financing to encourage development and fund infrastructure?

A range of public and private sector leaders participated in multiple focus groups. Input from these public input sessions can be summarized as follows:

1. Athens County is a special place whose character is often as important as its economic vitality.
2. Local business leaders feel a strong commitment to the Athens County community and a strong connection to its heritage.
3. Athens County benefits from the economic contribution of Ohio University and Hocking Community College as central to the region's economic success.
4. Athens County has an emerging high-tech industry sector through the efforts of Ohio University, local government and regional business leaders.
5. Athens County could be a bigger regional player in advanced services industries such as health care to compete with communities in Southeast Ohio, West Virginia and Pennsylvania.
6. Athens County needs a stronger focus on high-wage job creation to addressing the region's troubling poverty rate.
7. Athens County, like all of Appalachia, has a lack of flat sites prepared for development.
8. Athens County should address larger quality of life issues such as increasing its supply of workforce housing.



ACTION PLAN EXECUTIVE SUMMARY

Goals

Within five years, Athens County will add 2500 new high-wage jobs paying above \$17.40 an hour, cut the poverty rate for children by five points and increase the per capita income by 15%

Objectives

- Retain all major private sector employers in the county
- Attract 10 new major employers with over 25 jobs each in the county
- Develop five new sites prepared for a range of development options
- Develop an Athens Community Fund to encourage the growth of small business and early stage technology companies

Strategies

- Re-tool the Athens County Economic Development Council
- Get engaged in the site development business
- Focus on advanced manufacturing, advanced services and technology industries for future growth

Tactics

Re-tool the Athens County Economic Development Council.

- Athens County Economic Development Council should dramatically increase its private sector budget support to match the public sector support it currently receives, and increase its level of staffing (Q3, 2017)
- Athens County Economic Development Council should remake its web site and launch a comprehensive economic development marketing campaign for the region targeting manufacturing, advanced services and technology industries for future growth (Q2, 2017)
- Athens County Economic Development Council should implement an aggressive Business Retention and Expansion (BR&E) Program starting with the retention of existing companies (Q4, 2017)

Get engaged in the site development business

- Should develop two industrial parks and office complex tied to rail, road, broadband and energy infrastructure focusing marketing efforts on manufacturing, advanced services and technology oriented companies (Q2, 2017)
- Explore the use of the new Ohio Downtown Redevelopment Program to enhance Historic Downtown Athens redevelopment efforts for additional office space in the City of Athens focusing marketing efforts on small business and advanced services firms along West Union Street connecting Downtown to the Ohio University Innovation Center (Q2, 2017)
- Should develop at The Ridges on the Ohio University campus to provide new development opportunities through a private developer partnership (Q3, 2017)
- ACEDC should facilitate the acquisition of the Athens County Fairgrounds for future development purposes (Q3, 2017)

Build on a successful small business and technology based economic development strategy

- Should attract small business and technology jobs through the creation of an Athens Community Fund and development of a technology accelerator in the City of Athens (Q4, 2017)

ATHENS COUNTY ECONOMIC DEVELOPMENT GOALS

Elements of an Economic Development Goal

Bold

**High-Wage
Job Focused**

**Targeted
Industries**

Comprehensive economic development plans all need to start with a goal. Goals need to be aspirational and simply stated—taking up no more than one sentence. Comprehensive economic development goals need to be bold and difficult to achieve. Most importantly, comprehensive economic development

goals need to focus on the creation of high-wage jobs in industry sectors likely to grow in the region.

High-wage jobs are the solution to not just the family budget but they also provide substantially more in tax revenues for local governments and schools. High wage jobs are defined as paying above the median hourly wage of \$17.40 an hour. As the table below illustrates, high-growth regions that produce more high-wage jobs benefit from lower property taxes to support high-quality schools as commercial property taxes cover a larger share of the school funding compared to similar residential centers.

Tax Comparison of Ohio Communities Based upon Higher Commercial Property Values

	Dublin Schools	New Albany	Lakota Schools (Butler County)	Northwest Local (Hamilton County)
Total Assessed Value	\$2,914,821,560	\$849,472,320	\$2,469,690,500	\$1,431,543,850
Principal Commercial Taxpayers Value	\$191,447,930	\$100,773,700	\$149,498,510	\$93,689,480.00
Commercial Percentage of Total Value	6.57%	11.86%	6.05%	6.54%
Total Direct Property Tax Rate	60.53	74.74	71.14	59.57

Thus, Athens County economic development goal should be focused on high-wage job creation in high-growth industries likely to locate in the region. The economic benefits of this high-wage job creation need to benefit the rich and poor alike and result in an overall economic benefit for the region. Athens County's economic development goals associated with poverty should focus on children's poverty as the region's adult poverty rate is unusually high due to the annual influx of college students. Children's poverty better reflects the economic success of the region's family.

Athens County Economic Development Goal

Within five years, Athens County will double their job creation with new high-wage jobs paying above the median hourly wage of \$17.40 an hour in advanced manufacturing, advanced services, and technology industries, cut the poverty rate among children by five points, and increase the per capita income by 15%

ATHENS COUNTY ECONOMIC DEVELOPMENT OBJECTIVES

Athens County Economic Development Objectives

- Retention of all major private sector employers in the county
- Attraction of 10 new major employers with over 20 high-wage jobs each in the county
- Development of five new sites prepared for the location of multiple office and industrial companies
- Development of an Athens Community Fund to encourage the growth of small businesses and early stage technology companies

Comprehensive economic development plan objectives are numeric measures of success that need to be used annually to determine the success or failure of the plan. These objectives need to align not just with the goal of the plan but also the strategies and tactics. Metrics are essential to measure success for an economic development strategic plan.

Athens County should focus on the creation of high-wage jobs that can only be accomplished through the retention and attraction of private sector companies to the county. As a mid-sized, rural Ohio county, Athens County should first focus objectives on retention of the current employer base. However, the over reliance the county has on government based jobs dictates a substantial new measure be established for the attraction of new high-wage jobs to the county. Again, these high-wage jobs need to be focused on advanced services, advanced manufacturing and technology firms.

As the largest challenge Athens County faces is the lack of available sites for development, a clear economic development measure should include the development of a select number of sites for developing both office and industrial jobs. Finally, to measure the success of Athens County's technology based economic development effort, a metric should be established related to the creation of a community fund that can promote investment in early-stage technology oriented companies.





ATHENS COUNTY ECONOMIC DEVELOPMENT STRATEGIES

Once an economic development goal and clear objectives are established, the next step in creating an economic development strategic plan is adopting the strategies essential for success. Economic development tactics launched without a well thought out strategy dooms an effort to failure. Few communities adopt only a single economic development strategy. Often, communities adopt too many strategies. Strategies can embrace both the Building Blocks such as land use, infrastructure, workforce, tax policy and quality of life, and Five Drivers of Economic Development, industry sectors such as energy, technology, advanced services, manufacturing and global firm, to create both “offensive” and “defensive” oriented strategies to incentivize the creation of high-wage jobs.

ACEDC should adopt four economic development strategies to promote the creation of high-wage jobs by focusing on re-tooling ACEDC for an expanded mission based upon new funding, engaging aggressively in the site development business, promoting small business development and technology commercialization.

Athens County Economic Development Strategies

- Re-tool ACEDC
- Site Development
- Small Business Development
- Technology Commercialization

ATHENS COUNTY ECONOMIC DEVELOPMENT ACTION STEPS

RETOOLING ACEDC

To meet Athens County's economic development goals, the county should focus on a number of core objectives over the next five years that include re-tooling the Athens County Economic Development Council, getting this organization engaged in the site development business; and provide a focus on manufacturing, advanced services and technology industries for future growth. Re-tooling ACEDC dictates an enhanced level of private sector fundraising for the organization to add additional team members and to enhance the brand and focus of the organization. ACEDC is on the front line of Ohio's economic development program. Finally, ACEDC provides county wide economic development services with only two and one half staff members and a relatively small budget compared to their peers in other like communities.

Athens County Economic Development Council Staff & Board Comparison

County	2010 Census	County ED Group	Board Members	Employees
Pike County, Kentucky	65,024	Pike County Government	0	1
San Patricio County, Texas	64,804	San Patricio Economic Development Corporation	35	4
Athens County, Ohio	64,757	Athens Economic Development Council	5	2.5
Lea County, New Mexico	64,727	Economic Development Corporation of Lea County	15	6
Nacogdoches County, Texas	64,524	Nacogdoches Economic Development Corporation	5	3
Madison County, KY	82,916	Richmond Industrial Development Corporation	11	2
Washtenaw County, MI	344,791	Washtenaw Economic Development Coordinating Committee	20	28

Two and one half staff members with a small budget for a county-wide economic development organization the size of Athens County is simply not enough to meet the regional economic development goals. More importantly, the ACEDC lacks an adequate budget to provide effective economic development programs and services to Athens County and its municipalities. ACEDC is funded through multiple public sector organizations but lacks comparable private sector contributions.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 1

ACEDC should raise \$125,000 in additional private sector money from Athens County area businesses to expand the BR&E and launch a business attraction campaign.

With additional funding, ACEDC can expand its current BR&E program. Existing companies produce 80 percent of a region's new jobs.¹¹ The economic success of a region starts with a successful existing job retention program. A job retention campaign is referred to as a Business Retention and Expansion (BR&E) Program. BR&E Programs are broken down into multiple phases all geared toward keeping and developing new jobs from a region's existing base of companies.



Phase 1 of a BR&E Program is organizing

the effort internally within an economic development organization to ensure proper funding and staffing is available.¹² Phase 2 of a BR&E Program is researching the companies that exist in a region, identifying the ones growing and the developing a common survey instrument for use with all the companies in which local economic development officials will visit.¹³ Phase 3 is meeting with local company executives to gather information using the common business survey about what issues their company is facing and how local economic development officials can assist their company to grow in the region.¹⁴ Phase 4 is solving any challenges the company identified.¹⁵ Problem solving helps the company gain access to capital, addresses a regulatory issue with state government, gain better transportation access or other business and policy issues.

ACEDC Business Retention & Expansion Campaign

ACEDC Funding
& Staff

Company Targets

Local Executive
Briefings

Solving Company
Challenges

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 2

Based upon additional funding and staffing, ACEDC should expand its BR&E program first with a focus on retaining existing employers by identifying the decision-makers of existing companies in Athens County, coordinating site visits with all of these companies, and identifying and solving any challenges these companies may have.

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

A pillar of economic development marketing involves the development and use of social media including the operation of an effective web site and regional brand. ACEDC's BR&E program should start with the organization's website. The Asheville, North Carolina Chamber of Commerce, which takes the lead in regional economic development offers a good model for what the ACEDC's web site should look like: <http://www.ashevillechamber.org/economic-development>. Following the remake of the ACEDC and website, ACEDC's board should coordinate conversations with private sector company leaders to gain additional funding to launch the BR&E campaign and gain business leader volunteers for a peer to peer campaign. The ACEDC staff once funding and volunteers have been gained, need to target business related awards relevant to manufacturing, advanced services and technology in which Athens County should seek, coordinate participation in key industry trade shows such as the Industrial Asset Management Council and others, coordinate a media relations calendar to pitch regular stories to targeted industry trade publications as well as to place advertisements regarding Athens County in those publications and follow up with individual company targets through direct mail and telemarketing to set up meetings at industry trade shows.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 3

Based upon additional funding and staffing, ACEDC should launch a business attraction campaign geared toward targeted companies in industries such as manufacturing, advanced services, and high-tech companies.

The ACEDC marketing campaign could include the following:

- Redevelopment of the ACEDC web site to better promote the region, define ACEDC as the economic development organization for the region, and define Athens County as a center for manufacturing, advanced services and technology jobs;
- A Peer to Peer campaign to introduce the regional to national company prospects by local company leaders;
- Internet/website and social media efforts to coordinate advertisements and direct contact campaign through social media sites such as LinkedIn, Google and industry trade association sites to drive traffic to the local economic development website;
- Award campaign to identify national, third party created quality of life and economic development industry awards that can be gained to market the region;
- Hosting special events by participating in targeted industry trade association events such as the Industrial Asset Management Council, Site Selection Guild and CoreNet events which are populated by national corporate site location consultants;
- Media relations/publicity efforts to seek media story placements that promotes a region to the targeted industries in key industry trade publications and corporate site selection magazines;
- Advertising in industry trade publications to purchase select advertisements in targeted industry trade publications around manufacturing, advanced services and technology sectors;
- Direct mail campaigns to launch a targeted direct mail campaign communicating the region's benefits to select companies in manufacturing, advanced services and technology sectors; and
- Direct outreach- staff should directly contact targeted companies and local and state economic development leaders.¹⁶

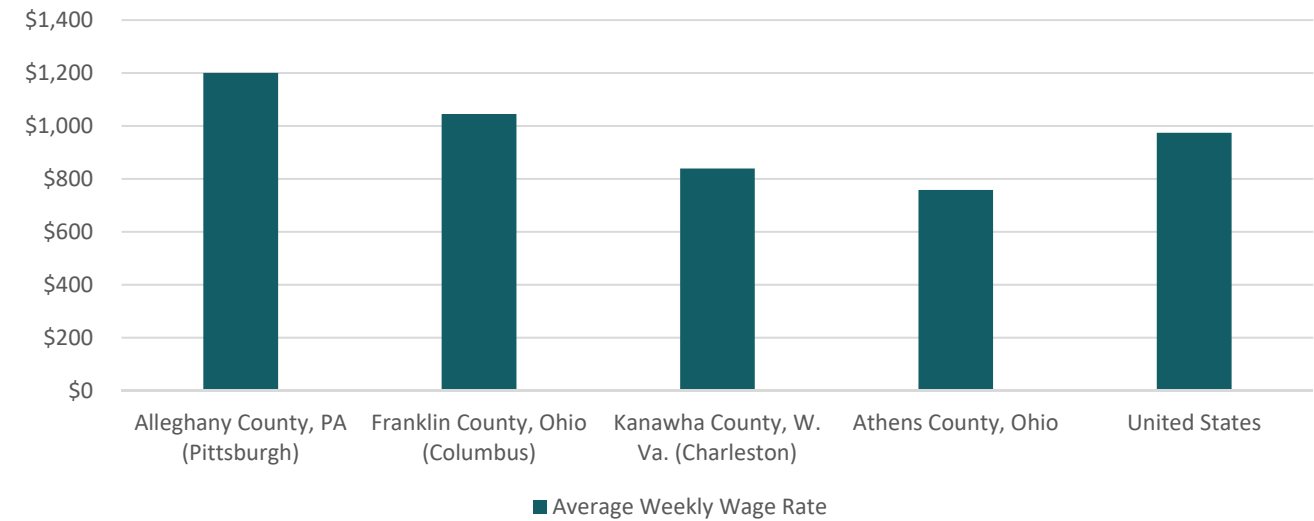
SITE DEVELOPMENT

ACEDC should consider developing two industrial parks, an office park and other developments with private developers and community partners within Athens County. It is a fundamental rule of economic development that no jobs are created without the availability of a site. The recent economic rebound is creating a large demand for sites in rural, suburban, exurban, and urban areas. Ohio's major urban markets

are primed for growth. However, the real estate marketplace dictates success in developing sites for office, retail, industrial or residential investments.

Nationally, the office vacancy rate is 13.2%- which is the lowest since 2008,¹⁷ the industrial vacancy rate is 6.1%,¹⁸ and the retail vacancy rate is 11.2%.¹⁹ Asking rents average in the 80 largest retail markets is at \$20.09,²⁰ Class A office asking rents in Central Business Districts is \$46.19 and in suburbs \$28.96,²¹ industrial is at \$5.52 a sq. foot. Cleveland’s office and retail market appears strong while Columbus’ industrial market, while much smaller than Cleveland’s appears strong. Ohio offers a competitive advantage no matter whether the market is industrial, office or retail for rental rates. This positions Athens County to grow in the private real estate marketplace.

Comparison of Athens County Average Weekly Wage Rate



Source: Bureau of Labor Statistics

As the above chart indicates, Athens County is well positioned to compete for regional jobs with surrounding major urban centers in Ohio, Pennsylvania and West Virginia as well as the U.S. as a whole paying higher wage rates than Athens County. Lower wage rates in Athens County offer a competitive advantage when competing for jobs within the Southeastern Ohio-Eastern Pennsylvania and Northwestern portions of West Virginia.

Five Step Site Development Process

Site Control

Zoning

Land Use/Economic Development Plan

Infrastructure Funding

Site Marketing

Based upon this analysis of a strong real estate and job market for Athens County, ACEDC should focus on site development. Site development happens in five critical steps:

Control of Land. Legal control of land, through options or purchase, is the first step to developing a site. Public or private parties may take the lead in this real estate transaction as third parties are often engaged to collect real estate for larger developments.

Athens County Potential Development Sites

Project	Potential Development
Hebbardsville Farm Industrial Park	Industrial
Bill Theisen Industrial Park	Industrial
2011 & 2012 East State Street	Industrial/Office
Downtown Union Street	Innovation Corridor
Ohio University, The Ridges	Multiple Development Options

Zoning. Once control is established, sites need to be properly zoned for the intended use by the relevant local government. No development can happen without proper local land use approval. Whether the site is located in a city or township (unincorporate area of a county), land use regulation occurs in Ohio. Ohio's zoning laws identifies the type of economic activity permitted at a site, has operated for nearly one hundred years, and is authorized by state law empowering local governments to develop and implement local zoning codes and creates methods to enforce these codes that provide needed flexibility.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 4

ACEDC should ensure each site under consideration for development be zoned for the hoped for use.

LAND USE/ECONOMIC DEVELOPMENT PLAN

A land use and economic development plan is then essential to ensure critical infrastructure, incentives and construction costs are understood and a target list of industries and ultimately companies are created based upon an economic cluster analysis of the region. Tax incentives should be considered for each site in question to reduce the cost of land and construction and/or to address the substantial infrastructure costs the hilly terrain provides in Athens County. Key infrastructure items range from water, sewer, road,

highway access, rail, and power access needed for company development. The industry focus of these sites should center around manufacturing firms to capitalize on historic lows in natural gas prices gained from Eastern Ohio's shale oil developments. Athens County is fortunate to have multiple interstate natural gas lines traveling across the county that can be a source of low cost energy for energy-intensive manufacturers. ACEDC has identified several potential industrial sites primed for development. These include: Hebbardsville Farm Industrial Park; and Bill Theisen Industrial Park. These sites are located throughout Athens County. Hebbardsville Farm Industrial Park is a 380 acre site in Albany, Ohio. Currently, the site is zoned industrial but lacks rail, water, sewer, road and power infrastructure.



Future Hebbardsville Farm Industrial Park Site

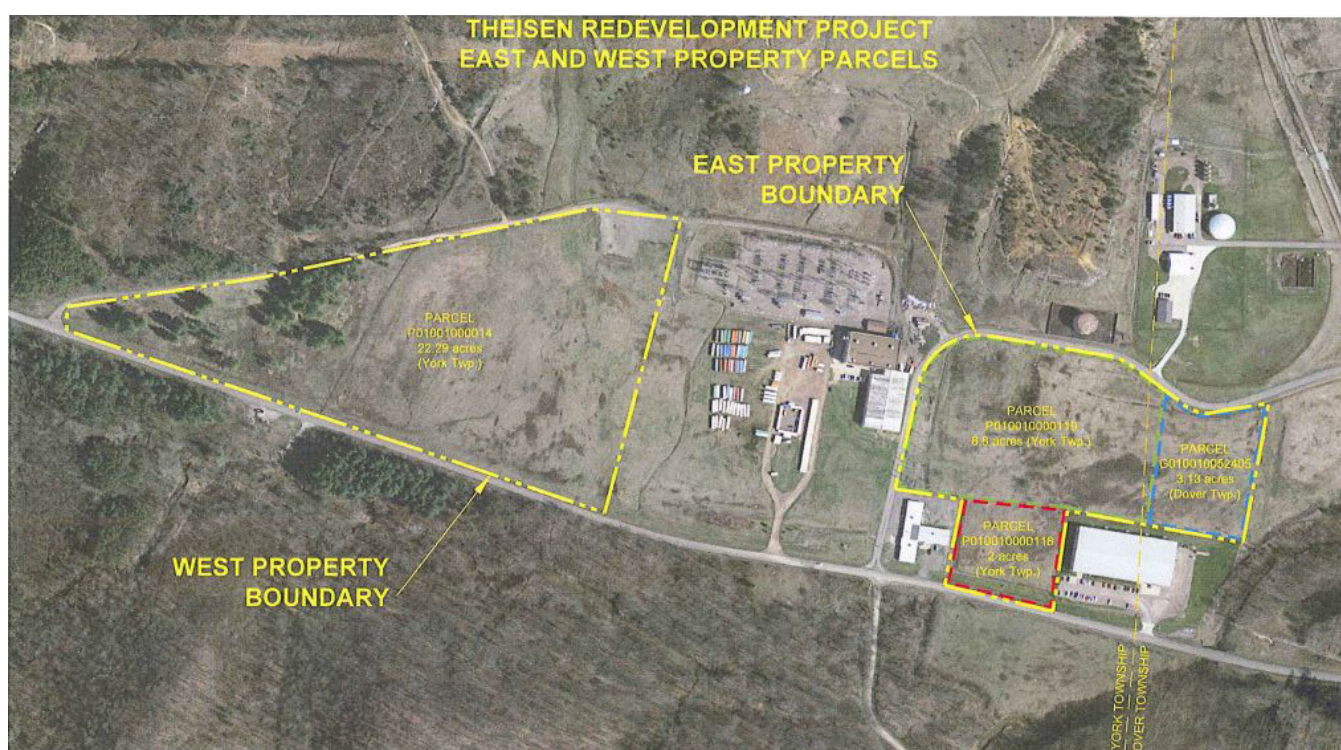
The site is connected to State Routes 52 and 33 and only two miles from the Ohio University Airport. Albany, Ohio is a small village of less than 1000 residents located in the Southwestern corner of Athens County.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 5

ACEDC should take the following steps related to the Hebbardsville Farm Industrial Park Site:

1. Encourage Albany, Ohio to establish a 100% Community Reinvestment Area (CRA) tax abatement while reimbursing the schools 60% of their funding to serve as an incentive for development at the site;

2. Advocate for water and sewer funding with the Ohio Water Development Authority at the site;
3. Advocate for roadwork improvements and other infrastructure funding with the U.S. Economic Development Administration;
4. Seek funding from the Columbia Gas Jobs Growth Fund to support the development of needed natural gas infrastructure;
5. Seek site certification from American Electric Power as a Quality Site, Data Center Site or Food Processing Site;
6. Recruit an industrial developer to purchase the site or partner with an existing entity such as the Port Authority to build speculative industrial/distribution space with a focus on manufacturing and distribution.



Thiesen Industrial Park is 112 acres on County Road 110-Poston Road in Athens County located northeast of the City of Athens close to State Route 33. The site has infrastructure in place, including: Natural Gas provider Columbia Gas has a 10 inch main size line; sewer service has a 12 inch main size line; American Electric Power has a greater than 500 volts electric service and 12470Y/7200 volt 3 phase; water provider is LEAX who has a water Main Size of 16 inches; and telecommunication's provider is Frontier with Internet service up to 10G Ethernet. This site will need rail service to attract the manufacturing industry.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 6

ACEDC should take the following steps related to the Thiesen Industrial Park Site:

1. Encourage Athens County to establish a 100 % CRA tax abatement while reimbursing the schools 60% of their funding to serve as an incentive for development at the site;
2. Recruit an industrial developer to purchase the site, or work with an existing entity such as the Athens County Port Authority, to build speculative industrial/distribution space with a focus on manufacturing and distribution.

The 2011 and 2012 East State Street sites are one of the largest undeveloped opportunities on East State Street totally 19.59 acres surveyed into 5 parcels with Tract #1 being the largest at 5.97 acres and Tract #5 being the smallest at 2.15 acres. The site is zoned manufacturing with two approved curb cuts and featuring 1400 feet of frontage on the southeast side of East State Street with three traffic lanes for easy access from the East State Street-State Route 33 off ramp. All utilities are available at the road. Across the street from 2011 East State Street sites is a 12.06 acre site focused on commercial development that is zoned B-3 for restaurants, office, bank or other retail opportunity with 600 feet of frontage on the northeast side of East State Street entering Athens from State Route 33.



This high profile site is primed for office development and should remain a prime focus for the ACEDC to develop office products.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 7

ACEDC should take the following steps related to the 2011/2012 East State Street Sites:

1. Encourage the City of Athens to establish a 100 % Community Reinvestment Area (CRA) tax abatement while reimbursing the schools 60% of their funding to serve as an incentive for development at the site;
2. Encourage the Athens County Port Authority to purchase the East State Street sites.
3. Recruit an industrial and office developer to purchase the site and build speculative industrial/distribution and office space with a focus on manufacturing and distribution and office space at the site.

Downtown Athens also offers an interesting development opportunity. Athens Downtown Historic District is a registered historic district in Athens, Ohio and has been listed on the National Register on September 30, 1982 with 88 Late Victorian buildings. The recent passage of Ohio House Bill 233 creates a new opportunity to fund redevelopment of Downtown Athens. Under HB 233, Ohio municipal corporations can create downtown redevelopment districts (DRDs) and innovation districts to promote rehab of historic buildings if a city has a certified historic structure, creates a district as large as 10 contiguous acres around that historic structure and develops a DRD economic development plan. Six steps exist to redevelopment historic property using DRDs. There is no DRD historic structure redevelopment without a certification that the building is in fact historic in nature. Historic preservation certification also requires an approved renovation plan to keep historic building “historic.” DRD districts must have an economic development plan. A DRD economic development plan should consist of identification of the redevelopment costs of the project including building, infrastructure and operations, financial modeling of the parcels within 10 acres surrounding the historic structure and review of other tax credits, grants, loans and private contributions to address those costs, a site development plan that considers the economic potential of the DRD through commercial, mixed use and research market research, determines the DRD broadband service to see whether the DRD qualifies as an Innovation District, and outlines that local government process and agreements needed to formally create a DRD. Next, the municipality must adopt a DRD financial model addressing the building, infrastructure and operational costs in the DRD. These costs will be funded through a collection of service payments in lieu of taxes from a property tax exemption that is equal to 70% of the increased value of real property in the DRD and redevelopment charges assessed to property owners within the DRD- both of which may be levied without property owner approval. The DRD may not be exclusively residential and may only last for 10 years or 30 years with school board approval. Additional funding for the DRD buildings and districts can be gained from federal and state historic preservation and new market tax credits and state of Ohio Capital Bill Community Project funding. DRDs with a 100-gigabit broadband level or higher can become an Innovation District. Innovation Districts not only can use DRD generated funds for building renovation, infrastructure finance and the operation of historic district organizations but they can fund the operation of high-tech companies through grants and loans. The Innovation District designation can ignite a tech-based economic development project by providing the capital needed for early stage capital tech companies. DRDs are created through a city ordinance describing the area included in the district, the number of years the DRD will exist, the economic development plan, ID of the historic building (s) in the district, potential designation of an innovation district within a DRD, establishment of a special fund for the deposit and dispersal of service payments and redevelopment charges, and acknowledgement that city must file an annual DRD report to the Ohio Development Services Agency. Finally, the city must hold a public hearing on the proposed DRD ordinance and give notice of the hearing to each property owner in the district. Following passage of a DRD ordinance, municipalities should enter into

various agreements with building owners, school board and other funders of the project. Examples of these agreements include local government and school board revenue sharing agreements, development agreements with DRD participants to outline funding terms of the public-private-partnership and grant and loan agreements from other outside public and private sector funding sources.

ACEDC should push for the development of an Athens Innovation Corridor along West Union Street connecting Ohio University, Downtown Athens with the Athens County Fairgrounds and the Ohio University Innovation Center. Ohio University has high-quality land use master plan in place for the development of campus. The Union Street Green portion of the Ohio University land use master plan illustrates the important university assets located on Union Street, such as the university's engineering college and several other university facilities.



As the map above from the Ohio University land use master plan outlining a “greening vision” for a revitalized West Union Street, Union Street can be transformed into an innovation district that revitalizes historic structures using the DRD program, capitalizes on planned university investments, connects Downtown Athens with the Athens County Fairgrounds and the highly successful Ohio University Innovation Center. The West Union Street corridor should focus on creating office space for university, small business and entrepreneurial efforts through the redevelopment of historic structures. The DRD

program can fund historic building redevelopment and critical infrastructure such as streetscape and parking needed for the development. The Athens County Fairgrounds could be the anchor of the Athens Innovation Corridor following its acquisition facilitated by ACEDC from the Athens County Fair Board. To accomplish this growth and redevelopment, Ohio University and the City of Athens could engaged a Master Developer from the private sector to drive this redevelopment and to better capitalize on historic preservation and new market tax credits and other incentives available to private sector companies who produce a taxable use for the sites developed.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 8

ACEDC should encourage the City of Athens and Ohio University to transform West Union Street into the Athens Innovation Corridor and develop the City of Nelsonville through the following steps:

1. West Union Street from the Ohio University campus down to the Ohio University Innovation Center and Athens County Fairgrounds should be redeveloped as the Athens Innovation Corridor.
2. The Athens Innovation Corridor should utilize the Ohio DRD Program to fund historic structure redevelopment and critical infrastructure such as streetscape and parking through the following steps:
 - a. The City of Athens should develop and adopt a DRD economic development plan to determine how many 10 acre districts built around one of their many certified historic structures can be created;
 - b. The City of Athens should determine the level of tax exemption and development charges that will produce the capital and operations funding needed to fund the redevelopment of historic properties in Downtown Athens;
 - c. The City of Athens should adopt a DRD ordinance, hold a public hearing on the ordinance and file annual reports on the DRD with the Ohio Development Services Agency; and
 - d. The City of Athens should negotiate agreements with the building owners, school board and other local funders of the redevelopment of Downtown Athens around their historic structures.
3. ACEDC should purchase the Athens County Fairgrounds from the Athens County Fair Board in preparation for its future development.
4. Following the development of the DRD District and the purchase of the Athens County Fairgrounds, Ohio University and the City of Athens could institute a process to retain a private sector, master developer for the Athens Innovation Corridor to better capitalize on private sector

real estate development expertise, and incentives such as tax credits for historic preservation and new markets tax credits.

5. Creation of a DRD economic development plan to promote the redevelopment of Nelsonville with Dew House - 6 Public Square, Stuart's 52 Public Square and the Nelsonville Historic District (roughly area bounded by Canal, Jefferson, Scott and Madison Streets) as potential sites for historic preservation redevelopment.

The Ridges at Ohio University offers a substantial economic development opportunity. In 2015, Ohio University adopted a Land Use Master Plan for the Ridges that is worthy of review related to its economic development impact. The Ridges is home to the former Athens Asylum and now includes 730 acres of land and over 700,000 gross square feet of buildings, hosts important University and community functions, but to a substantial degree the potential of this asset is not yet fully realized. The Ridges Framework Plan addresses that the land at The Ridges contains zones of opportunities, from the Historic Green where most of the current buildings reside, to open and wooded natural areas that can support a variety of activities that includes multiple, historic Victorian Era Buildings. However, approximately half of the 700,000+ square feet of interior space is not currently suitable for occupancy but the space could be used for offices, short-term housing, studio space, and retail/commercial activity. As noted in the land use plan, access to The Ridges and integration with the remainder of the Athens campus would benefit from improved physical and visual connectivity, and in the longer term, increased numbers of people working, living, or recreating at The Ridges will require attention to traffic and pedestrian circulation, parking, and public transit.

The Ridges presents a unique economic development opportunity to for development. The redevelopment of The Ridges is both made more complex and attractive by the size of the site and the historic nature of the structures on the site. However, the land use master plan provides a strong foundation for guiding redevelopment options at the site. More importantly, Ohio's new DRD program, outlined above for Downtown Athens also creates a substantial funding source for Ohio University and a private sector developer to address the historic renovation and public infrastructure costs of the site through the use of the DRD as well as state and federal Historic Preservation and New Market Tax Credits.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC # 9

ACEDC should encourage Ohio University and the City of Athens to create a DRD to support the redevelopment of The Ridges by taking the following steps:

1. As The Ridges has buildings of historic nature, the historic preservation certification should not be a challenge, but it should confirmed by the City of Athens;

2. Ohio University and the City of Athens should develop and adopt a DRD economic development plan to determine how many 10 acre districts built around one of their many certified historic structures can be created on The Ridges;
3. Ohio University and the City of Athens should determine the level of tax exemption and development charges that will produce the capital and operations funding needed to fund the redevelopment of historic properties on The Ridges;
4. Ohio University and the City of Athens should adopt a DRD ordinance, hold a public hearing on the ordinance and file annual reports on the DRD with the Ohio Development Services Agency; and
5. Ohio University and the City of Athens should create a process to select a Master Developer for The Ridges site to create a mixed use project.

Addressing child poverty is a critical step to Athens County's economic success. This critical challenge will not be solve with the development of new jobs alone but also must support the long-term poor's reintroduction to the workplace. Support from organizations such as the Aspen Institute should be sought to develop a child poverty program in Athens County. Athens County would benefit from a "two-generation" child poverty approach that creates opportunities for and addresses the needs of economically vulnerable children and their parents at the same time. The Athens County Child Poverty Initiative needs to address transportation, health care and workforce training to develop this "two-generation" child poverty strategy. The Athens Child Poverty Initiative should focus on the provision of education, economic supports, social capital, and health and well-being to create a legacy of economic security that passes from one generation to the next. Critical to this child poverty program is the development of a formal workforce development partnership with Hocking College to develop a workforce around the industry clusters in which Athens County is seeking companies. This partnership would permit Athens County to not only reduce poverty among the unemployed and under-employed but also launch an occupational marketing campaign touting their strong workforce in targeted industries.

INFRASTRUCTURE FUNDING

Next, funding from public and private sources is identified and gained to develop a job ready site that has the infrastructure in place ready for a company to locate. The high demand for job ready sites positions well communities that actually build out the infrastructure in anticipation of development occurring. The infrastructure funding comes through the local government with Tax Increment Financing, Capital Improvement Program funds, and Transportation Improvement Districts. State resources are provided through the Ohio Department of Transportation, JobsOhio, Ohio Development Services Agency, Ohio Public Works Commission, Public Utilities Commission of Ohio, and the Ohio Rail Development Commission. Federal infrastructure sources are found at the Economic Development Administration

within the U.S. Department of Commerce, Department of Housing and Urban Development and targeted grants from the U.S. Department of Transportation. All of these sites will need a site plan developed that addresses the infrastructure needed to include service for roads, water, sewer, broadband and power. A range of public finance and economic development programs exist to fund this needed infrastructure for these sites and can be found in the Appendix.

SITE MARKETING

Last but certainly not least, sites are developed by marketing a job ready site to potential companies. America is littered with empty industrial parks that were prepared for development but not properly marketed. Modern marketing tactics focus on creating a quality product through the site, tax policy and workforce development programs geared toward a particular industry, reduction of site development prices through up front infrastructure investments, development of the place through regional quality of life efforts and finally through promotion of the site. Promotional efforts involve the traditional business retention and expansion visits to existing companies, briefings with companies and site selectors at national trade shows and conferences, and site visits with companies and site selectors. ACEDC should market each site in partnership with development partners to targeted industry players.

TECHNOLOGY COMMERCIALIZATION

Athens County has a strong start in the development of jobs tied to the tech sector. Technology based Economic Development initiatives are attractive because they create high wage “multiplier” jobs with companies in the growth mode for the Information Age economy-- run by workers and executives skilled in the STEM occupations paying on average \$77,880 and only 4 of the 97 STEM occupations had mean wages below the U.S. average of \$43,460.²² Tech-based regional economies are also attractive because they create a new generation of successful companies lead by entrepreneurs. Entrepreneurs are business owners who seek to generate value through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.²³ States and regions embracing entrepreneurship are in far better economic shape in regions that do not. From 1990 to 2001, entrepreneurial regions, both small and large, had 125 percent higher employment growth, and 58 percent higher wage growth.²⁴ These regions benefit from 109 percent higher productivity, expended nearly 54 percent more R&D and recorded 67 percent more patents per labor force participant.²⁵ They had a 63 percent higher percentage of hi-tech establishments and a 42 percent higher portion of college educated population than the least entrepreneurial regions.²⁶

A successful Technology Based Economic Development strategy builds company and workforce capacity in the STEM fields, leverages the research and educational assets of local universities and research institutions and creates pools of venture capital. These regions also address workforce, land use, broadband

and tax policy issues to compete for high-tech companies. Land use policies built around research parks offer a new twist on retaining and attracting high-tech companies. World class research institutions are the basis for global Technology Based Economic Development initiatives. Research universities not only provide a workforce for high-tech companies that demand STEM occupations but also serve as economic engine by transferring research from the university to the marketplace.

Elements of a Technology Commercialization Strategy



Innovation Centers, business incubators and business accelerators are land use tools to develop a technology based economy. Tech-based economic development groups provide start-up companies with facilities to operate their business. These facilities initially take the form of a business incubator where similar start-up companies are housed in their own offices all within the same building. These multi-tenant spaces facilitate the provision of the professional business development services. These business incubators also provide an additional networking opportunity for the companies located in the facility.

TECHNOLOGY COMMERCIALIZATION FRAMEWORK

The Idea	Incubation	Product or Service	Market	Sustainability
First \$50,000 Friends, Family & Fools	Define the problem to be solved	Commercial Demonstration	Prove Commercial Viability	Revenues Exceed Expenses

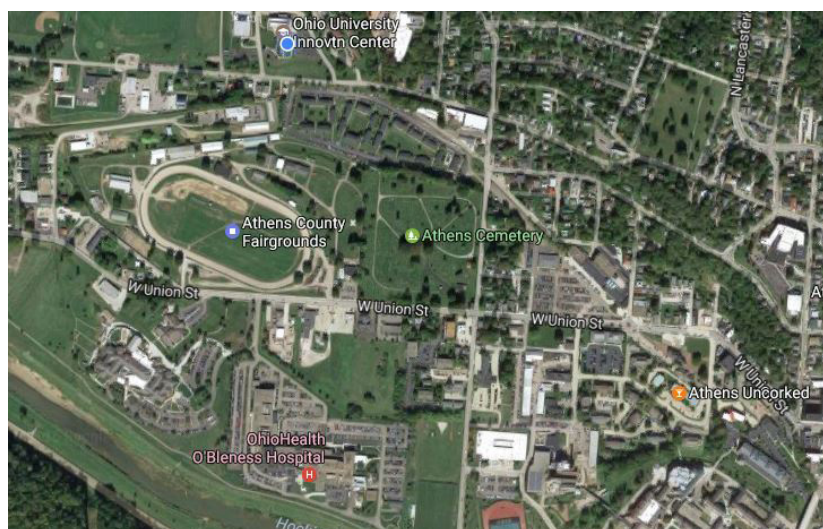
A tech accelerator facility takes equity in high-tech company start-ups in return for small amounts of capital and mentorship. Accelerators are more of a program than a long-term real estate solution. Accelerators operate 3 to 4 month programs and they are built around industry clusters. The start-up company's graduate at the end of the program.

Gaining access to capital is a major issue for entrepreneurs. Capital access approaches begin with a solid business plan. That business plan is not just the foundation for the operation of the company but also

can serve as a tool to use with sources of funding to operate and grow the company. Once a business plan is complete, a company next turn to a range of finance sources from the federal and state government to venture capital funds. Most entrepreneurs do not have access to traditional finance services firms for financing their company. A lack of assets and customers create a struggle for the entrepreneur to attract the traditional bank loan. They are forced into the venture capital market in many cases. Venture capital may be invested in all stages of a start-up firm's development, from seed through expansion stages.

The stages of venture capital are pre-seed, seed-stage, start-up stage and expansion stage. Pre-seed stage is the earliest stage in the development of a business, when a business plan maybe under development but no formal or concrete steps have been taken to set up the business.²⁷ Seed stage is the development phase prior to start-up when founders conduct research, develop products and explore market potential.²⁸ The future business entity is beginning to take shape but founders have not yet established commercial operations.²⁹ Start-up stage is when a firm has established operations and has launched or is about to bring products or services to the market.³⁰ This stage typically requires a lot of capital since revenues are not yet able to cover operational and development costs.³¹ Finally, expansion stage is when capital is required by a more established firm to finance growth. Investments are made in activities such as R&D or production capacity.³² Venture capital tends to concentrate in select industry groups. Software, biotechnology, medical devices and equipment, and IT services constitute well over half of all recent venture capital deals.³³ Later stage, expansion stage and early stage dominate most venture capital investments. Start-up seed funding barely reached 5 percent of the total recent deals.³⁴ States and regions trailing in the battle to gain access to venture capital encourage private investment, direct funding to companies and local funds. Private investments are encouraged through arranging social interaction between entrepreneurs and funding sources and using state tax credits to incentivize investment.

Athens County benefits from an advanced university technology commercialization process at Ohio University. Ohio University has operated a Technology Transfer Office since 1991 that is part of the



Vice President for Research and Creative Activity division at Ohio University. The mission of the Ohio University Technology Transfer Office is to facilitate the transfer of intellectual property to business and industry through the development and management of a high-quality portfolio of diverse technologies; ensure intellectual property rights; negotiate and execute licensing agreements; and,

when feasible, assist in the formation of start-up businesses that utilize the university's technology in order to provide benefits to the university as well as the regional economy. The Technology Transfer Office is only part of the university's entrepreneurial ecosystem and they work closely with the Innovation Center, the university's small business incubator for high-tech and biotechnology startups; the Edison Biotechnology Institute, an interdisciplinary research facility focused on technology commercialization; TechGROWTH Ohio, a public/private partnership that provides funding and entrepreneurial support for Southeast Ohio; and the Center for Entrepreneurship, which offers academic and extracurricular programs for Ohio University student

The Ohio University Innovation Center is a national model for a university sponsored technology incubator. The Innovation Center provides valuable business incubation resources to fuel the economy in Athens, Ohio and surrounding regions. Created in 1983, the Ohio University Innovation Center was the first university-based business incubator in the State of Ohio and just the 12th in the United States. The current 36,000 square foot facility, which opened in 2003, is now home to 19 prospering member companies. The Innovation Center provides a considerable range of resources including, but not limited to, the following: area for professional use including office space, labs, and meeting space, all leased at competitive rates; flexible space and lease options intended to allow companies room to expand; access to seasoned expert professionals who can coach and provide erudite insight; and shared access to exclusive office equipment that grants your small business team access to printing, copying, faxing, scanning, high-speed Internet, conference phones and more.

TechGROWTH Ohio is sponsored by Ohio University and the Ohio Third Frontier program. Through TechGROWTH, entrepreneurs and technology start-up companies in southeast Ohio can access business assistance and sources of capital. Business services include assistance with: business plans, product development, legal services, marketing, executive recruitment and more. TechGROWTH helps companies prepare to access seed-stage and angel investment capital as well as research grants and loans. TechGROWTH has assisted hundreds of technology companies with a broad range of services, grants and investments. These resources have helped area companies generate tens of millions of dollars in additional economic activity. TGO targets seed-stage technology companies in sectors including, but not limited to: advanced energy, biomedical, information technology, advanced materials and electronics. TechGROWTH Ohio partners include: Ohio University's Voinovich School of Leadership and Public Affairs, Ohio University's Edison Biotechnology Institute, Ohio University's Innovation Center, Ohio State University South Centers, WesBanco, Adena Ventures and the Muskingum County Business Incubator. Companies that TechGROWTH has assisted include: GhostBlind: featuring top of the line camouflage equipment; and Global Cooling: providing industry grade laboratory refrigerators to the scientific, medical, and electronics fields.

Athens County's technology commercialization activity is mature. Ohio University creates the availability of a STEM workforce, OU's Tech Transfer Office spurs university commercialization, the Innovation Center is a successful incubator. TechGROWTH has a successful venture capital program in place. However, Athens County has two key missing pieces in its technology based economic development strategy—development of a Community Development Fund and a site for a technology accelerator where growing companies leaving the Innovation Center can locate. The location of a tech accelerator or even Class A or B office space can be developed at either the 2012 East State Street site or The Ridges site. However, the development of an Athens County Angel Fund involves a separate effort tied to Ohio University alumni, local business leaders and state of Ohio Third Frontier Funding.

Development of technology companies is not the only early stage business Athens should focus on. According to the Small Business Administration: Small businesses make up: 99.7 percent of U.S. employer firms, 64 percent of net new private-sector jobs, 49.2 percent of private-sector employment, 42.9 percent of private-sector payroll, 46 percent of private-sector output, 43 percent of high-tech employment, 98 percent of firms exporting goods, and 33 percent of exporting value. However, small businesses struggle to gain the access to capital they need to succeed. That struggle impacts the growth of the Athens economy.

The development of an Athens Community Fund through private and public contributions can provide an important funding source for all entrepreneurs looking to launch a company no matter the industry focus. Athens County, working in conjunction with ACEDC and Ohio University, should create Athens Community Fund to support the development of small businesses, early-stage startup companies as well as locate growing tech companies graduating from the OU Innovation Center. A successful Community Investment Fund provides funding for companies and development projects to stimulate growth and create jobs and wealth in a community. A Community Investment Fund typically fills a gap that is not being met solely by the private sector and is often a compliment to private sector funding. Alternative capital can come from any number of sources; government resources including loans and grants, angel investors, venture capital, pre-seed funds, and community resources. Communities that understand this need and address this need and devote resources to small businesses and entrepreneurs will win in the end by creating more and sustainable jobs for its citizens. Athens County, in conjunction with the ACEDC the Athens County Community Fund to focus on providing capital to small business and entrepreneurs and encourage investment and development of underutilized and underused assets in the community. The Athens County Community Fund will focus on dual tracts: 1. Gap financing for small business and entrepreneurs, and 2. Real estate project investments. The goal will be to raise \$2,000,000 in the next 6-9 months. Banks, Foundations, and individuals from in and around the community as well as nationally will be solicited to invest in the Fairborn Innovation Fund.

COUNTY FUNDING

In the first year of the Athens County Community Fund, Athens County will provide seed funding of \$250,000 to the funding for small business and entrepreneurs and \$250,000 for real estate investments.

BANK FUNDING

regional and national banks will be asked to commit a portion of their Community Reinvestment Act (CRA) funding to the Athens County Community Fund. All banks are measured and evaluated on an annual basis for their success in meeting CRA requirements. Below is a listing of the banking institutions with offices in Athens County that could be good targets to participate in the Athens Community Fund.

Athens County Banking Institutions

Institution Name	State (HQ)	State/Federal Charter	Offices	Deposits (\$000)
Nelsonville Home and Savings	OH	State	1	25,036
Peoples Bank	OH	State	4	80,711
Citizens Bank of Logan	OH	State	2	15,687
JPMorgan Chase Bank	OH	Federal	3	231,848
Wesbanco Bank, Inc.	WV	State	1	8,977
Citizens Savings Bank	OH	State	4	34,064
First National Bank of McConnelsville	OH	Federal	2	43,350
Hockey Valley Bank	OH	State	7	212,971
Park National Bank	OH	Federal	1	18,834

Source: Federal Deposit Insurance Corporation

FOUNDATIONS

Investment should be sought from local and national foundations including: The Athens Foundation; Foundation for Appalachian Ohio, Ohio University Foundation and other not for profit institutions. The Athens Foundation is a community foundation conceived and supported by Athenians.³⁵ The Athens Foundation's endowment currently stands at \$ 6,000,000, and the community philanthropy has granted \$2,000,000 to 140 Athens area groups having a great impact on the quality of life in Athens County.³⁶ The Athens Foundation enhances the quality of life for the people of our region through building endowments, awarding grants, and providing leadership on key community issues now and for generations to come.³⁷ The Foundation for Appalachian Ohio manages permanent charitable funds supported by thousands of Appalachian Ohioans for the betterment of our region.³⁸ Through grantmaking, strategic leadership, and partnerships, the Foundation for Appalachian Ohio works with their donors to grow the philanthropic

resources needed to transform generational poverty into generations of prosperity, and the organization currently has \$22,000,000 in funds.³⁹ The Ohio University Foundation serves as the fund raising arm of Ohio University and is an institutionally-related, nonprofit, tax exempt, 501(c)(3) organization acting as the repository for all private gifts to Ohio University through annual giving programs, capital and special campaigns, and planned or deferred gifts such as bequests and trusts.⁴⁰ The Ohio University Foundation reports over \$500,000,000 in giving and a strong foundation balance.⁴¹

LOCAL INVESTORS

The graphic of deposits in financial institutions in Athens County shows 671,478,000 of deposits as of the end of the 2nd quarter, 2016. While not all of this capital is liquid, held by individuals or able to be invested in the Athens County Community Fund, it shows the wealth that is held just in the financial institutions in Athens County. Wealth exists in Athens County and the Athens County Community Fund should tap into this wealth and those individual needs and desires to give back to the community.

PROJECT ELIGIBILITY REQUIREMENTS

Eligible borrowers will include for-profit companies, not-for-profit companies, limited liability companies, C corporations, S corporations, governmental entities such as port authorities, economic development corporations and community improvement corporations, and healthcare institutions. Projects Financed should include: new locations, retail, restaurants, service based business, manufacturing, technology, software, and real estate development. Funding from the Athens County Community Fund must be matched by outside money that can come from additional lenders and/or equity. The company must reside in Athens County or must make a commitment to locate in the city of Fairborn as result of the financing.

TYPES OF FINANCING

The Athens County Community Fund should offer various financing options to meet the needs of the project and borrower and the program to include: Unsecured loans; subordinated loans, the Athens County Community Fund takes a second collateral position; convertible debt, the Athens County Community Fund has an option to convert debt into an equity position; royalty finance, the Athens County Community Fund gets paid a percentage of revenue or profits; and warrants and options, the Fund has the right to purchase stock at a specified price.

ATHENS COUNTY COMMUNITY FUND INVESTMENT BOARD

Investors, banks and foundations that choose to invest in the Athens County Community Fund need to know that sound investments are being made, that they will see a return on their investments, and

that there is oversight, scrutiny and transparency off all projects and investments. An Athens County Community Fund investment board will be established to thoroughly review all applicants for the Fund to scrutinize the credit, market viability and community impact of each project that is seeking assistance. The investment board will have a representative from the ACEDC, Athens County, a participating bank, a participating foundation, and a participating investor. The Athens County Community Fund board should hire an outside financial advisor with knowledge and experience in evaluating community investment funds to package each project and present it to the board and make funding recommendations.

ACEDC ECONOMIC DEVELOPMENT PLAN TACTIC #10

Athens County, working in conjunction with ACEDC, Hocking College and Ohio University, should create Athens Community Fund to support the development of small businesses, early-stage startup companies as well as locate growing tech companies graduating from the OU Innovation Center and launch the Athens County Child Poverty Initiative to address the poverty of the region.

- 1.** Form a Board of Investors to lead the charge to raise the funds for the Athens County Community Fund.
 - a.** Athens County Community Fund should be organized as a 501 (C) (3).
 - b.** Athens County Commissioners should invest \$250,000 to start the Athens County Community Fund matched by funding equal from the Ohio University Foundation.
 - c.** A financial advisor should be retained to assist with fundraising and prepare for potential investments through the development of a formal investment policy.
 - d.** Investors from other foundations and individuals should then be sought to gain the \$2,000,000 annual budget needed before making the first investment.
 - e.** Investments in companies and not-for-profits should be sought.
- 2.** Develop an Athens County Child Poverty Task Force consisting of Athens County, Hocking College and community leaders.
 - a.** Partnering with the Aspen Institute or a like group, develop the Athens County Child Poverty Plan that addresses transportation, child care and workforce training for the unemployed and underemployed.
 - b.** Gain funding for this initiative through the state of Ohio, Appalachian Regional Commission and Athens County.
 - c.** Build a class of Athens County residents to enroll in this program.

APPENDIX A - DEFINITION OF ECONOMIC INDICATORS

Gross Domestic Product (GDP) is the value of the goods and services produced by the nation's economy less the value of the goods and services used up in production and is equal to the sum of personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment.

Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living collected each month in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments including all taxes directly associated with the purchase and use of items are included in the index.

Industry Cluster is a regional concentration of related industries in a particular location consisting of companies, suppliers, and service providers, as well as government agencies and other institutions that provide specialized training and education, information, research, and technical support enhance productivity and spur innovation by bringing together technology, information, specialized talent, competing companies, academic institution, and other organizations with close proximity, and the accompanying tight linkages, yield better market insights, more refined researches agendas, larger pools of specialized talent, and faster deployment of new knowledge.

Nonfarm business sector is a subset of the domestic economy and excludes the economic activities of the following: general government, private households, nonprofit organizations serving individuals, and farms that accounts for about 77 percent of the value of the GDP in 2000.

Personal Income is the income that persons receive in return for their provision of labor, land, and capital used in current production, plus current transfer receipts less contributions for government social insurance (domestic), personal income arising from current production consists of compensation of employees, proprietors' income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, and personal income receipts on assets (personal interest income and personal dividend income).

Unemployment Rate is measured by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor is a measure of those Americans who are employed with jobs and those that are unemployed based upon those that have applied for federal government unemployment insurance and based upon a monthly survey called the Current Population Survey (CPS) to measure the extent of unemployment in the country.

APPENDIX B - ATHENS COUNTY INDUSTRY DATA

ATHENS COUNTY INDUSTRY BREAKDOWN

NAICS	Description	2009 Jobs	2014 Jobs	2009 - 2014 Change	2009 - 2014 % Change	2014 Location Quotient	2015 Business Locations
11	Crop and Animal Production	29	13	(16)	-55%	0.07	3
21	Mining, Quarrying, and Oil and Gas Extraction	152	333	181	119%	2.68	7
22	Utilities	79	56	(23)	-29%	0.69	4
23	Construction	443	514	71	16%	0.57	90
31	Manufacturing	455	382	(73)	-16%	0.21	32
42	Wholesale Trade	328	397	69	21%	0.46	33
44	Retail Trade	2,983	2,504	(479)	-16%	1.10	180
48	Transportation and Warehousing	142	135	(7)	-5%	0.21	17
51	Information	327	346	19	6%	0.86	19
52	Finance and Insurance	416	391	(25)	-6%	0.47	66
53	Real Estate and Rental and Leasing	251	214	(37)	-15%	0.71	58
54	Professional, Scientific, and Technical Services	445	476	31	7%	0.39	85
55	Management of Companies and Enterprises	58	262	204	352%	0.82	9
56	Administrative and Support and Waste Management and Remediation Services	253	373	120	47%	0.29	42
61	Educational Services	21	43	22	105%	0.11	13
62	Health Care and Social Assistance	3,159	3,043	(116)	-4%	1.15	129
71	Arts, Entertainment, and Recreation	54	46	(8)	-15%	0.15	9
72	Accommodation and Food Services	2,308	2,600	292	13%	1.40	133
81	Other Services (except Public Administration)	488	458	(30)	-6%	0.73	102
90	Government	7,206	7,621	415	6%	2.45	145
Total		19,596	20,206	610	3%		1,174

Source: US Census Bureau

ATHENS COUNTY EMPLOYERS BY INDUSTRY SECTOR THROUGH NAICS CODE

NAICS	Description	Top Employers
11	Crop and Animal Production	Gene Zimmerman, John Sayers, National Network of Forest Practitioners, C&B Logging,
21	Mining, Quarrying, and Oil and Gas Extraction	Petro Quest, Inc., Diesel Filtration Specialists, Don Gamertsfelder, Beardmore Oil/Gas, Drydock Coal Co
22	Utilities	Third Sun Solar, Le Ax Regional Water District, Sunday Creek Valley Water District, The Hocking Conservancy, Bishopville Water District
23	Construction	Kal Electric, Dovetail Construction, David R. White Services, Equilibrium Solar, Inc., Burr Oaks Regional Water Supply, York Paving Co, T.A.M. Construction, Inc.
31	Manufacturing	Rocky Brands, Diagnostic Hybrids, Global Cooling, Quidel, Jackie O's Pub Brewing, Stewart-McDonald Manufacturing, Gem Coatings, Christine T Hughes Bakery, Starr Machine, Pawnee Inc.
42	Wholesale Trade	Georgia Boot, Ed Map, Malone Warehouse Tire, ATFI, The Economy Supply Co
44	Retail Trade	Lehigh Outfitters, Don Wood Inc., C&E Stores
48	Transportation and Warehousing	G&J Pepsi Co Bottlers, Cochran Transportation Service, Tabs Transportation
51	Information	Adams Publishing Group, Messenger Publishing Company, WATH Inc., Intelliwave, Nelsonville TV Cable, Movies 10, Guitar Digest,
52	Finance and Insurance	Hocking Valley Bank of Athens, First National Bank of Nelsonville, Ohio University Credit Union, Mws Jude Frank Enterprises,
53	Real Estate and Rental and Leasing	White and Chambers Partnership, JM Management & Communications, Phoenix on Court
54	Professional, Scientific, and Technical Services	Sunpower, Edison Biotechnology Institute, Electronic Vision, Bcse LLC, Fitne Inc., Liveinteractive LLC,
55	Management of Companies and Enterprises	Lance Family Holdings, Hocking Valley Bancshares, Artemis Holdings, Green Valley Holdings
56	Administrative and Support and Waste Management and Remediation Services	The Ohio University Foundation, Corrections Commission of Southeast Ohio, Athens-Hocking County Recycling Centers, Athens-Hocking Solid Waste District
61	Educational Services	Ohio University, Hocking College, Athens City School District, Alexander Local School District, York Nelsonville Local School District, Federal Hocking Local School District, Trimble Local School District, Tri-County Career Center
62	Health Care and Social Assistance	Ohio Health O'bleness Hospital, Tri-county Mental Health, Health Recovery Services, Doctors Hospital of Cleveland, Hickory Creek of Athens, Atco Inc.
71	Arts, Entertainment, and Recreation	Fast Traxx Promotions, Athens Golf & Country Club, Sanborn Vending, Arts/West, Hocking Valley Scenic Railroad, Federal Valley Resource Center

72	Accommodation and Food Services	Tjack Inc., Worker Owned Restaurant Corp, Mitchell McCall, Parks Recreation Athens, Lancaster Wings, Eastern Hospitality Management,
90	Government	Ohio University, Athens County, City of Athens

ATHENS COUNTY OCCUPATIONS

SOC	Description	2011 Jobs	2016 Jobs	2011 - 2016 Change	2011 - 2016 % Change	Avg. Hourly Earnings	Expected Change	Competitive Effect
25-0000	Education, Training, and Library Occupations	3,154	2,973	(181)	(6%)	\$27.14	94	(276)
43-0000	Office and Administrative Support Occupations	2,881	2,960	79	3%	\$15.02	188	(109)
35-0000	Food Preparation and Serving Related Occupations	2,445	2,818	373	15%	\$9.34	377	(5)
41-0000	Sales and Related Occupations	1,869	1,859	(10)	(1%)	\$13.10	158	(168)
29-0000	Healthcare Practitioners and Technical Occupations	1,189	1,517	328	28%	\$32.39	107	220
31-0000	Healthcare Support Occupations	835	1,001	166	20%	\$11.62	101	65
11-0000	Management Occupations	903	938	35	4%	\$37.94	89	(54)
53-0000	Transportation and Material Moving Occupations	759	885	126	17%	\$14.84	91	36
49-0000	Installation, Maintenance, and Repair Occupations	663	709	46	7%	\$19.36	68	(23)
21-0000	Community and Social Service Occupations	627	691	64	10%	\$18.45	70	(5)
47-0000	Construction and Extraction Occupations	626	673	47	8%	\$22.73	104	(57)
37-0000	Building and Grounds Cleaning and Maintenance Occupations	620	654	34	5%	\$12.31	48	(14)
51-0000	Production Occupations	488	577	89	18%	\$17.08	36	52
33-0000	Protective Service Occupations	644	530	(114)	(18%)	\$19.95	28	(141)
13-0000	Business and Financial Operations Occupations	501	524	23	5%	\$26.70	51	(28)
39-0000	Personal Care and Service Occupations	387	385	(2)	(1%)	\$10.85	50	(52)
15-0000	Computer and Mathematical Occupations	231	254	23	10%	\$29.28	36	(13)
19-0000	Life, Physical, and Social Science Occupations	222	247	25	11%	\$31.82	14	11

27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	230	224	(6)	(3%)	\$16.10	18	(24)
17-0000	Architecture and Engineering Occupations	164	176	12	7%	\$31.84	11	0
23-0000	Legal Occupations	79	67	(12)	(15%)	\$29.17	3	(15)
45-0000	Farming, Fishing, and Forestry Occupations	22	19	(3)	(14%)	\$14.27	2	(4)
Totals		19,539	20,681	1,142	6%	\$19.40	1,745	(604)

Source: EMSI

ATHENS COMMUTING PATTERNS SORTED BY COUNTY OF RESIDENCE

Residence County	Workplace County	Count	% of total
Athens Co. OH	Athens Co. OH	21,279	84.59%
Athens Co. OH	Franklin Co. OH	712	2.83%
Athens Co. OH	Hocking Co. OH	580	2.31%
Athens Co. OH	Wood Co. WV	563	2.24%
Athens Co. OH	Washington Co. OH	462	1.84%
Athens Co. OH	Fairfield Co. OH	431	1.71%
Athens Co. OH	Vinton Co. OH	149	0.59%
Athens Co. OH	Meigs Co. OH	142	0.56%
Athens Co. OH	Jackson Co. OH	130	0.52%
Athens Co. OH	Perry Co. OH	123	0.49%
Athens Co. OH	Ross Co. OH	112	0.45%
Athens Co. OH	Licking Co. OH	66	0.26%
Athens Co. OH	Cuyahoga Co. OH	58	0.23%
Athens Co. OH	Morgan Co. OH	54	0.21%
Athens Co. OH	Delaware Co. OH	49	0.19%
Athens Co. OH	Gallia Co. OH	44	0.17%
Athens Co. OH	Pickaway Co. OH	39	0.16%
Athens Co. OH	Hamilton Co. OH	38	0.15%
Athens Co. OH	Guernsey Co. OH	27	0.11%
Athens Co. OH	Mason Co. WV	24	0.10%
Athens Co. OH	Logan Co. OH	22	0.09%
Athens Co. OH	Muskingum Co. OH	20	0.08%
Athens Co. OH	Cabell Co. WV	19	0.08%
Athens Co. OH	Kanawha Co. WV	12	0.05%
Total		25,155	100.00%

Source: US Census Bureau

ATHENS COMMUTING PATTERNS SORTED BY COUNTY OF WORK

Residence County	Workplace County	Count	% of total
Athens Co. OH	Athens Co. OH	21,279	82.58%
Meigs Co. OH	Athens Co. OH	1,334	5.18%
Hocking Co. OH	Athens Co. OH	945	3.67%
Vinton Co. OH	Athens Co. OH	420	1.63%
Morgan Co. OH	Athens Co. OH	380	1.47%
Jackson Co. OH	Athens Co. OH	220	0.85%
Washington Co. OH	Athens Co. OH	208	0.81%
Gallia Co. OH	Athens Co. OH	165	0.64%
Fairfield Co. OH	Athens Co. OH	142	0.55%
Wood Co. WV	Athens Co. OH	116	0.45%
Perry Co. OH	Athens Co. OH	110	0.43%
Franklin Co. OH	Athens Co. OH	104	0.40%
Mason Co. WV	Athens Co. OH	81	0.31%
Hamilton Co. OH	Athens Co. OH	47	0.18%
Ross Co. OH	Athens Co. OH	44	0.17%
Cuyahoga Co. OH	Athens Co. OH	39	0.15%
Scioto Co. OH	Athens Co. OH	33	0.13%
Belmont Co. OH	Athens Co. OH	27	0.10%
Muskingum Co. OH	Athens Co. OH	27	0.10%
Pike Co. OH	Athens Co. OH	24	0.09%
Lincoln Co. KY	Athens Co. OH	22	0.09%
Total		25,767	100.00%

Source: US Census Bureau

APPENDIX C - OHIO INFRASTRUCTURE PROGRAM OPTIONS

Program	Description
Downtown Redevelopment Districts	Funding gained from up to 70% of the property tax gain and redevelopment charges for up to a 10 acre district surrounding a certified historic structure to pay for historic building rehab, historic group operation, public infrastructure and tech companies if 100 gigabits of broadband service available.
Ohio Capital Bill	State funds for community projects that are for economic development, arts, cultural, sports or historical in nature. Community Project fund should include as much as \$100M. Must be of “capital” in nature and have some nexus or connection to state government or one of its agencies. Need to be of high quality supported by a well-thought out business plan. State capital bill community projects tied to economic development are driven locally to start and arts projects are driven by a statewide process. The Statehouse makes the final decision for state capital bill community projects so an effective lobbying effort is vital.
Ohio PWC	Per capita transportation funding from gas tax proceeds competitively awarded through regional boards. Provides grant and loan programs for local communities for infrastructure improvements. ⁴²
ODOT	TRAC process ranks potential economic development projects for highway projects over \$12M. Freeway interchange, lane additions, rail improvements, intermodal facilities, Intelligent Transportation Systems, and major transit projects are good targets for TRAC funding. SIB awards funding for highway, transit, aviation and rail projects. The SIB provides loans, loan guarantees, letters of credit, leases, interest rate subsidies, and debt service reserves to public and private entities for qualified transportation projects. ⁴³
Ohio DSA	Alternate Storm Water Infrastructure Loans Program (ASWILP) that offers below-market interest rate loans for projects that promote economic development in an environmentally friendly manner.
OWDA	OWDA’s Sewer and Water Pollution Control Project Loan provides financing to plan, design, and construct drinking water, wastewater, or storm water infrastructure. ⁴⁴
TIFs	Captures the planned growth in property tax of a specific development or district to fund defined infrastructure. TIFs are created by local governments through an ordinance or resolution that outlines the TIF timeframe, percentage of the improvement that will be exempted from real property taxes, planned projects at the site, boundaries of the project or district and requirement for Payment in lieu of taxes (PILOTs). TIF proceeds can then be used to pay for statutorily defined infrastructure that includes road construction, parking structure, improvements to water, communication, or sewage lines. ⁴⁵
TIDs	Multi-local governmental entity reaching agreement on funding for a specific transportation project. During Fiscal Year 2015-16 ODOT is offering \$3.5 million in competitive grant funding to support TIDs and 20 Ohio TIDs are registered as doing so with ODOT. ⁴⁶ TIDs fund improvements to streets, highways, parking facilities, freight rail tracks and necessarily related freight rail facilities, or other transportation projects that are newly constructed or improved as well as the administrative, storage, and other buildings or properties, and facilities the district needed for the operation of the TID. ⁴⁷

ENDNOTES

1. Kyle Fee, "Manufacturing (Still) Matters—And How It Can Endure," Forefront, Summer 2012.
2. Bureau of Economic Analysis, U.S. Department of Commerce, State GDP Report, June, 2015, retrieved from http://www.bea.gov/newsreleases/regional/gdp_state/gsp_highlights.pdf.
3. "Industry employment and output projections to 2022," Monthly Labor Review, Bureau of Labor Statistics, U.S. Department of Labor, December, 2013, retrieved from <http://www.bls.gov/opub/mlr/2013/article/industry-employment-and-output-projections-to-2022-1.htm>.
4. See <http://www.eda.gov/Research/ClusterBased.xml>.
5. EMSI data.
6. Ibid.
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. See Greater New Orleans, Inc, retrieved from <http://gnoinc.org/initiatives/business-retention/>.
12. See Generally, Business Retention and Expansion Guide, Entergy, retrieved from http://www.entergy-arkansas.com/economic_development/retention_and_expansion.aspx.
13. Ibid.
14. Ibid.
15. Ibid.
16. See generally, DCI Marketing Plan Services, retrieved from <http://www.aboutdci.com/economic-development/services/>.
17. <http://www.cbre.com/about/media-center/Q1%202016%20US%20Office%20Vacancy>
18. CBRE Market Report, Q1, 2016
19. <http://www.cbre.com/about/media-center/2016/01/11/q4-2015-vacancy>
20. <http://nreionline.com/retail/retail-rents-could-increase-40-percent-2016>
21. http://www.colliers.com/-/media/files/marketresearch/unitedstates/2016-research-reports/1q_usoffice_report_d6.pdf?submissionGuid=c7e12f0c-e7b6-4dc6-ae6a-7573c830ead7
22. Ibid.
23. Measuring Entrepreneurship, A Collection of Indicators, 2009 Edition (OECD-Eurostat Entrepreneurship Indicators Programme, 2009).
24. SSTI, Technology Based Economic Development Guide, 2006.
25. Ibid.
26. Ibid.
27. Measuring Entrepreneurship, A Collection of Indicators, 2009 Edition, OECD-Eurostat Entrepreneurship Indicators Programme.
28. Ibid.
29. Ibid.
30. Ibid.
31. Ibid.

32. Ibid.
33. Retrieved from <http://www.idealab.com/>.
34. Ibid.
35. <http://athensfoundation.org/about-us/>
36. Ibid.
37. Ibid.
38. <http://www.appalachianohio.org/about/who-we-are/>
39. Ibid.
40. <https://www.ohio.edu/advancement/foundation/>
41. Ibid.
42. “Capital Improvements Report,” Ohio Public Works Commission (May 2004) <http://www.pwc.state.oh.us/Documents/CIRManual.pdf>.
43. R.C. 5531.09(B).
44. “Summary List,” Ohio Water Development Authority, <http://www.owda.org/owda0001.asp?PgID=pi-summary>.
45. R.C. § 5709.40(A)(7).
46. “Transportation Improvement Districts,” ODOT, <https://www.dot.state.oh.us/Divisions/JobsAndCommerce/Pages/TIBID.aspx>; “Transportation Improvement District Annual ODOT Grant Program,” ODOT, <https://www.dot.state.oh.us/Divisions/JobsAndCommerce/TID%20Resources/SFY16%20Program%20Summary%20and%20Application%20Directions.pdf>.
47. R.C. 5540.02(A),(B)