

MIDDLETOWN

CHAPTER 3 ECONOMIC DEVELOPMENT



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CHAPTER 3 ECONOMIC DEVELOPMENT

The primary focus of this Master Plan is centered on economic development in the City of Middletown. The need for increased economic development resources was heard repeatedly at Master Plan Steering Committee meetings, focus groups, and public meetings. This sentiment echoes similar recommendations made in past planning efforts such as Creating a Competitive Community Advantage (March 26, 2003), Strategic Marketing Plan (August 2001, and Midpoint Centre Conceptual Design and Development Project (2000).

WHAT IS ECONOMIC DEVELOPMENT?

The International Economic Development Council provides a general definition of economic development as:

...a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and provide a stable tax base.

Typically, communities define economic development in terms of their local goals or objectives. Usually the goals and objectives of local economic development programs include:

- **Job Creation.** Job creation is often a primary goal, based on the perceived link between job creation and the overall health of the local economy. Job creation includes not only creating more jobs, but also creating better jobs. Jobs created should support a desired standard of living, offer stability and decent work conditions and provide opportunity for advancement.
- **Job Retention.** Job retention objectives are intended to retain existing, locally owned businesses within established commercial districts. Job retention is a goal because the loss of a job in a local economy means the loss of the economic advantages resulting from that position.
- **Tax Base Enhancement.** Tax base enhancement is an economic development goal because most local governments raise the majority of their revenue through local property and income taxes. New revenues generated by new economic activity can fund service improvements without tax rate increases.
- **Quality of Life.** The final common objective of economic development is to enhance the quality of life in the local community. Quality of life means different things in different communities, but generally include safety and security, education, poverty reduction, environmental quality, and recreation and culture.

THE ECONOMIC DEVELOPMENT CHALLENGE

Successful economic development is not an accident. It is the result of several key components that interact smoothly at the local and regional level. Many communities of Middletown's stature have sophisticated programs and strategies in place that are implemented by a staff of professional economic development practitioners. Middletown too must establish an economic development entity and components that interact smoothly in order for the future economic development function of the city to work effectively. Timing of this action is critical to take advantage of the limited number of development opportunities that are currently available to the city.

There are five key components to economic development described in this Chapter. The city must excel at all of these including: (1) An Economic Development Department and Staff, (2) Economic Development Programs, (3) Initiatives and Incentives, (4) Land and Building Inventory, and (5) A Labor Force with Needed Skills.

ECONOMIC DEVELOPMENT DEPARTMENT AND STAFF

An economic development director and department need to be brought on-line within city government as soon as possible. This new department must have a formal linkage to the City Manager's office and City Council. The selected economic director must be given adequate resources, responsibility and accountability to succeed at his or her mission. This includes the authority to act and work entrepreneurially on behalf of the city.

- **Economic Development Staff.** The staff could be comprised of from four to six individuals given the various functions carried out by economic development departments and the complexity of Middletown's economic development needs. Based on comparisons to other cities in the region, this does not appear to be extraordinary. However, it is generally understood that staffing will have to be increased over time as resources become available.

An economic development director would be the senior economic developer on staff and provide the administrative direction to the overall economic development effort. A senior level person is required to focus on business retention and expansion efforts. At least one additional staff member should be a senior level person with business recruitment skills. The economic development department staff should also have one professional with commercial lender experience if the lending task is offered under the economic development umbrella. If community and economic development projects are among the tasks assigned, then one professional person with development and construction management experience should be a part of the staff.

The economic development staff will need to be supported by one or two administrative assistants skilled in a variety of support functions. Based on the scope of services envisioned, the staff could comprise up to six professionals.

- **Department Strategy.** An economic development department's strategy determines the types of programs and activities undertaken by the organization. Effective economic



development departments have well planned and targeted economic development strategies. The community’s economic development goals and objectives are identified in the strategy and help direct the organizations activities. Establishing goals and objectives is important for an economic development organization to evaluate its performance. Goal setting and benchmarking performance level setting will be particularly important for a new economic development staff. This will help staff stay focused on their mission and preclude mission creep.

ECONOMIC DEVELOPMENT PROGRAMS

The Economic Development Department will direct Business Retention and Expansion; Business Recruitment; Commercial and Community Development Projects; Business Loans; and Training programs.

Critical Economic Development Programs
<ul style="list-style-type: none"> ▪ Business Retention and Expansion ▪ Business Recruitment ▪ Commercial and Community Development Projects ▪ Business Loans ▪ Training and Development Programs.

- ***Business Retention and Expansion.*** A key component of any successful economic development program is systematically working with existing employers to make certain their needs are being met and that they have the community’s support in pursuing their objectives. Far and away, retaining and growing existing employers is the most productive strategy in any economic development program. This effort should include regular systematic contact with all employers in the city to determine what problems they may be having and to identify any opportunity to encourage and support expansion or relocation within the city. This support should not be limited to large employers; it is often the smaller employers that have the greatest capacity for growth.

Calls on all local businesses and industrial companies must be made on a regular, repeated schedule. The city must know if companies are struggling or if businesses are doing so well expansions are needed. Companies on the verge of expansion are at risk of loss if they cannot expand in their current locations or if they cannot find suitable property at other locations elsewhere in the city.



Growing business in Greentree Industrial Park

- ***Business Recruitment.*** Business recruitment programs are the only way to seek out and attract companies that serve to expand the business base in the community. Specific industries and specific companies may be the targets of business recruitment efforts. This task should be directed at maintaining the city’s proportionate market share in all categories of business and industry while keeping the business base broad and at least somewhat insulated from the risk of losing any given company. This topic is discussed further on page 4-6.
- ***Development Projects.*** The economic development function should be key to the creation and implementation of specific commercial, industrial, and community development projects. These projects should be focused on vitality maintenance in the neighborhoods while working to redevelop sites and areas that are not contributing to the economic well being of the city; i.e., brownfield and greyfield redevelopment.

- **Business Loans.** Business loans are a natural adjunct to the economic development function. Some communities create lending corporations. Middletown may not have sufficient activity to require a specific lending function, but it may need to be able to make business loans to facilitate development projects that are important to the overall vitality of the city.
- **Training and Development Programs.** Training and development programs are important to both economic development and to community development. Entrepreneurial training is an additional facet of economic development that is often overlooked. Approximately ninety percent of new jobs to be created in the future will be created by small businesses. Small businesses and new entrepreneurs must be generalists. A strong training and development function can help these small business operators make more intelligent, more economically efficient decisions. Such programs should be coordinated with the Chamber, SBDA and local business incubators.

ECONOMIC DEVELOPMENT INITIATIVES AND INCENTIVES

The economic development effort will not be effective unless the City of Middletown supports the staff and the function with all necessary initiatives and incentives to make the effort competitive with the other major municipalities in the region.

- **Initiatives.** Community and economic development efforts must work to implement a vision for the city. Brownfield and greyfield redevelopment projects should be supported along with focused community revitalization and enhancement efforts. The economic development initiatives fostered by the city should serve to elevate Middletown above its competitors in the region and create the image of development leadership.
- **Incentives.** The incentives available to the economic development staff should be consistent with those offered by other communities in the region. To inhibit the economic development effort by not offering competitive incentives to attract companies to the city would be inviting frustration and failure. The use of Enterprise Zones, Community Reinvestment Areas, tax abatements and Tax Increment Financing has become commonplace in economic development. However, the use of incentives should be consistently applied and linked to desired performance standards for jobs created, wages paid, and minimal impact on the environment. The city's incentive policy should also receive the support and buy in of tax payers (existing businesses and residents) and tax users (MCSD).

LAND AND BUILDING PRODUCTS

- **Market Ready Sites.** Several communities in competition with Middletown collectively have hundreds of acres of "market ready sites" available with essential infrastructure and services to accommodate office and industrial development. Middletown, on the other hand, has none. This disparity places Middletown at a distinct competitive disadvantage. The time needed to extend water, sanitary, and roads adds months and several hundred thousand dollars to project cost. Time is money and companies will choose the community that can



I-75/SR 122 Interchange

provide the fastest “turn key” site more often than not.

All of the requisite land development conditions must be in place before any economic development market strategy can succeed. As such, creating market ready sites must be one of the city’s top priorities.

Opportunity does exist in several areas near I-75 to create a very competitive land inventory. Most exciting is the potential to create a high-tech business park next to the proposed MRH Healthcare and Technology Campus at Union Road and SR 122. All of the essential infrastructure elements are at or near the proposed hospital site including a large amount of unused broadband telecommunications capacity. The city and its partners must champion the development of this business park concept as soon as possible. A major business park is essential the city’s efforts to retain its proportionate market share of employment in the region.

Market Ready Sites Checklist	
✓	Correct Zoning
✓	Roads
✓	Public Water
✓	Public Sewer
✓	Natural Gas
✓	Power
✓	Telecom Infrastructure
✓	Fire and Emergency Services
✓	Interstate Access
✓	Pro-business Environment

As with other cities, Middletown most likely will become a market participant if it is to be competitive in the world of economic development. While market ready sites in the private sector are better than no land, sites under the control of the city are the best alternative. The economic development staff can make an available site part of the economic development incentive package only if the available site is owned by the city.

- **Building Inventory.** Available buildings are often only offered when a company fails or relocates to new quarters. Reusing existing buildings can be problematic. Buildings of any magnitude are generally built to suite the specific needs of the first owner. Retrofits and remodeling can be cost prohibitive. And, as is the case in Middletown, many older buildings are obsolete by today’s standards. Worn out, obsolescent buildings are not competitive inventory in the real estate marketplace. The city must take steps to reduce the number of worn out structures in the city. Brownfield and greyfield redevelopment projects should be focused on reducing the numbers of undesirable, outdated structures in the city and replacing them with economically contributing projects. Even if no new use is economically feasible, worn out improvements should be replaced with grassed lots that could be marketed when new uses become feasible; i.e., land banking.



Former paper manufacturing plant

A LABOR FORCE WITH NEEDED SKILLS

Workers will not find employment if they do not have the skills being sought by new employers. In fact, the lack of a trained labor force may deter companies from selecting Middletown as a location.

Employers in Middletown have been heavily concentrated in a few basic, heavy industries. Business trends indicate that the labor force may undergo significant transitions in the next few years as the national, state and local economy continues to evolve into a service economy. The educational attainment of Middletown's population lags the larger, regional market. In addition, the population, and the work force appear to be aging to the point that retirements will reduce the size of the resident, labor force. These observations suggest that the current labor force may not have the educational and training foundation to transition into new sources of employment.

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In order to keep the skills of the available labor force aligned with available jobs, the city, academic institutions, and labor organizations need to collaborate on programs that can upgrade and broaden the skills of workers that may be permanently displaced from the basic, manufacturing industries that appear to be in decline.

The city, in cooperation with a multi-jurisdictional entity, should support the creation of a "one stop shop" or "job center". This center should have multiple focuses on assisting workers, who have been permanently displaced from their current jobs; to acquire the skills needed to find new jobs; and to provide assistance during the potentially stressful transition period between jobs. This center would help to provide training and education to the existing labor force while long-term, educational programs and business recruitment efforts bring new workers to the local labor force.

While the work force may need to be retrained in order to compete for the jobs that may be available in the future, it is difficult to identify the skills that may be needed in the local market. This is one of the reasons that a business retention and expansion program is needed as part of the economic development function. Economic development officials can collect data regarding the needs of growing companies and coordinate the needs of local companies with the training to be offered through the "job center". Workers can be developed in accordance with the demands of growing, local companies in order to facilitate economic expansion in the city. At the same time new business recruitment can bolster the need for trained workers. Most companies that relocate do so in anticipation of expansion. New employees can be trained and ready when the new companies arrive in the city.

MARKETING STRATEGY

If there appears to have been a historical economic development weakness, the city has relied too heavily on the growth of a small number of major companies, in a few, basic industries to propel its economic growth. The city needs to broaden both its company base and its industry base. Based on this observation, the city's business recruitment effort should have a two prong approach linked to Middletown's diverse geography and land and building offerings.

- **Increase Company Base/Broad Based Marketing.** The first strategy is to increase the overall number of companies that are located in the city. The goal is to recruit companies in a broad range of industries that are compatible with the existing industrial zoning. This appears to be saying that, "any company that will come to town is a good company to have". Certainly, the financial health and vitality of any company recruited is important, but the statement is essentially true.

- **Increase Industry Base/Targeted Marketing.** But a scattershot approach to attracting businesses is unlikely to be successful in the long run. Once defined, adequate resources must be devoted to the pursuit of the target market. As such, in marketing the City of Middletown as a potential location for high-tech economic development, it is important that a target niche be identified which the city is well positioned to pursue. The target niche should be designed to diversify the city's industry base. Companies that meet desired performance standards for use, employment, wages, and environmental impact should be aggressively pursued to locate at planned business parks located in the I-75 corridor, next to Middletown Regional Hospital.
- **Marketing and Incentives.** The use of incentives should be very closely tied to the City's marketing strategy. Future incentive use in the business parks planned east of I-75 should be given only to high-tech companies that can meet City expectations. General industrial uses that cannot meet desired performance standards should be given incentives only if they are willing to locate in one of the City's existing industrial parks.
- **Market Geography.** Middletown should concentrate marketing efforts at the regional level at first. The economic analysis prepared in the Midpoint Centre Conceptual Design and Development Project indicates that Greater Cincinnati is a competitive physical location on a regional level offering cultural and other activities and amenities but it cannot compete at a national or international level. Therefore, the City should market firms that do business in Southwest Ohio and would enjoy equal access to customers in both Dayton and Cincinnati.

MARKET POTENTIAL

Information and analysis found in this section is summarized from Gem Public Sector Services' Market Study dated December 31, 2003. A copy of the full market study is available at the City of Middletown Planning Department. Land development over the last two decades has been at a relative standstill. Gem's market study provides a more optimistic picture for the future. Demand for additional office, industrial, and retail development indicates growth will occur over the 2005-1010 planning period. Middletown must be prepared to guide that development in a manner that enhances the community's quality of life.

- **Retail Market.** The location of a retail hub may be important to a community, but the market the retail businesses serve can be quite diverse from the community in which the retail epicenter is located. Middletown is located at an interstate interchange in two of the fastest growing counties in the U.S. The market for new retail merchants and new retail outlets is very strong. Much of this new retail development will occur in other portions of both counties, but Middletown's location along an interstate highway, with an interchange, on the county line between Butler and Warren Counties places the city in a strong position to compete for a significant regional retail presence, if the city so desires. Projections indicate that the two counties may add over 1,800,000 square feet of retail space between now and 2007. Middletown may add as much as 120,000 square feet of retail space between now and 2007 just to serve its population. In essence, the retail market appears to be in an expansion mode to serve the growing numbers of households in the City of Middletown and the vicinity.

As stated above, based on household growth, coupled with average household income growth, projected in other sections of this report, Butler County and Warren Counties, combined, may be able to support over 1,800,000 square feet of new retail space between now and 2007. Middletown may be able to support up to 120,000 square feet of new retail space in the same time period to support the consumer needs and wants of the city's population.

It should be noted that new space in Middletown, based on household and income growth in the city, is part of the Butler and Warren Counties combined totals. Assuming typical land-to-building ratios of 5:1, retail expansion could consume over 200 acres in Butler and Warren Counties between now and 2007. Based on potential retail demand in the City of Middletown between now and 2007, as much as 15 acres of land could be needed for new retail expansion to serve the needs of Middletown residents, only. Middletown appears to be located centrally to take advantage of the expanding markets in Butler and Warren Counties. The more important question to be answered is whether the City of Middletown wants to attract any significant retail development and whether the city has the land to accommodate any significant new retail development.

Needless to say, the projections indicate that there could be significant retail expansion in the next few years in Butler and Warren Counties including the City of Middletown. The amount of retail development that Middletown is willing, or able, to accept may be a much smaller segment of this development consistent with local goals and objectives. Timing is critical for the City of Middletown to capture a share of the projected retail growth and to defend against the loss of current retail businesses to newer more modern retail hubs that are emerging in various locations in Butler and Warren Counties.

- **Office Market.** Historically the office market in Middletown has been based on the needs of businesses in the local community and the needs of the major corporations based in the city. As a function of mergers and acquisitions over recent decades the amount of office space needed by major corporations in the city has declined significantly. In addition, mergers and acquisitions of financial companies; e.g., banks, has reduced the amount of office space needed in the traditional CBD of Middletown. The current market for office space in Middletown is derived from the needs of the local market, other than the few remaining corporate offices, in town, there are no regional or national office tenants in any significant office developments in the city. This is an interesting market circumstance given Middletown's location between Dayton and Cincinnati along I.R. 75. Health care appears to be the most significant component of the local office market that could experience growth in the near future.

As the Dayton and Cincinnati MSA's grow and expand to fill the interstate corridor between the two central cities, the potential for Middletown to enhance its position as a more significant office venue appears possible.

Based on projections for employment growth in the city, there will be a need for more office space. Much of the new growth that is projected is in the health care segment of the market indicating a possible need for medical office space. Projections indicate that approximately 368 workers will be added to the ranks of typical, general office employees by 2007.

Assuming that educational services and health care workers will comprise a similar percentage of the typical workforce in the future, then approximately 168 of new educational and health care workers will be in typical office environments. This employment growth translates into approximately 50,000 square feet of office space that will



Downtown office buildings

be needed by 2007, assuming traditional office employment densities. There are probably ample alternatives on the landscape to fill this projected demand, but much of the existing office space appears to be physically or functionally obsolescent.

Existing office space in the traditional CBD does not appear to represent competitive inventory due to age, obsolescence, and proximity to I.R. 75. Assuming the projected growth in office employment results in new construction, then approximately 5.00 acres of land would be needed for new office development by 2007.

As a function of overall growth in Butler and Warren Counties, significant growth is projected in the employment base. Slightly over 2,100 hundred jobs are projected to be added in the “finance/insurance/real estate segment of typical office employment and almost 4,100 hundred workers are projected to be added in the “professional and related services” category of employment. Assuming similar ratios of traditional office employment to total employment growth as applied above, approximately 2,845 new office workers could be added to payrolls in Butler and Warren Counties by 2007. Based on traditional office employment densities, the projected employment expansion could require as much as 850,000 square feet of new office space. Office needs of this magnitude would consume approximately 80.00 acres of land.

The ability of the City of Middletown to capture a share of the growth projected for the two counties area is directly related to having well located, market ready sites, and/or buildings for office occupancy. It is likely that interest in new office development will be concentrated around the interchange at S.R. 122 and I.R. 75.

- **Industrial Market.** The industrial segment of the local economy has grown over time as reflected in historical employment totals. Based on previously existing trends in the local market, the industrial segment of the city’s employment base is projected to add approximately 351 jobs by 2007. Recent announcements by AK Steel could result in an employment decline in the industrial segment of the city’s employment base of over 1,000 persons.

The overall Cincinnati CMSA and Montgomery County are projected to lose jobs over the next few years, but the overall Dayton-Springfield MSA, Butler County and Warren County are projected to add jobs over the next few years. Middletown must be poised to capture at least its proportionate share of these potential new jobs. Based on projections contained elsewhere in this report, jobs in Middletown should represent approximately 22% of the industrial employment in Butler County; however, projected job growth in Middletown represents only 16% of the industrial job growth in Butler County between now and 2007. These projections reflect the growth anticipated in the durable goods manufacturing segment of the local employment market.

Middletown has a relatively high concentration of jobs in the manufacturing segment of industry. Over 26% of employment in the city is derived from manufacturing companies. The percentage of manufacturing employment in Middletown compares to the Cincinnati CMSA with slightly less than 16%, the Dayton-Springfield MSA with slightly less than 18%, less than 17% in Montgomery



County, slightly more than 15% in Butler County and slightly less than 17% in Warren County. Ohio has experienced significant job losses in the manufacturing segment of the economy in recent years. Historical trends may not be good indicators of future employment.

A sluggish economy in the U.S. and off shore competition for manufacturing jobs has taken a serious toll on manufacturing employment. According to a report released by the U.S. Department of Commerce in January, 2004, 2,599,000 manufacturing jobs were lost in the United States between the fourth quarter of 2000 and the third quarter of 2003. This segment of the Middletown economy has to be considered at risk as long as current economic conditions and foreign competition exist.

Approximately 72% of the manufacturing employment is in durable goods manufacturing. Approximately 75% of the durable goods manufacturing employment is derived from one company; AK Steel. Should overall employment in Middletown change structurally to reflect the composition of the larger market area, as many as 3,000 manufacturing jobs could be lost in the next, few years. Because of the heavy concentration of these jobs in paper and steel making companies, and the ages of the existing plants, it is unlikely that the industrial complexes left behind would ever be reused in the industrial marketplace.

- ***New Economy Jobs.*** Conversely, Middletown has a relatively low number of jobs in the “new economy” segment of the employment market. The new economy is defined for this analysis as employment derived from companies in five SIC codes. The SIC codes included in this definition of companies are as follows; 35-Industrial and Commercial Machinery and Computers, 36-Electrical and Electronic Equipment, 38-Instruments and Related Products, 73-Business Services, and 87-Engineering, Accounting, Research, Management and Related Services.

Not all of these SIC codes are in the industrial segment of the economy; however, the space needs of companies in the “new economy” segment of the employment market more typically represent a mix of specific uses found in the typical industrial or business parks that exist in many communities nationwide. Middletown has little, if any, space that represents available inventory to attract new companies in this segment of the employment market. Additionally, Middletown has very few, market ready, green field, sites for construction of facilities in this segment of the economy. The lack of market ready land for new construction may be a more significant constraint to the attraction of “new economy” business and industry than the lack of physically and functionally adequate buildings.

The city’s employment derived from the “new economy” segment of employers is less than 1,800 jobs representing 6.60% of the jobs in the city. By comparison, “new economy” jobs represent over 9% of the jobs in Butler County, 9.5% of the jobs in Warren County, Over 11.5% of the jobs in the Cincinnati CMSA, and over 14% of the jobs in Montgomery County, the most significant portion of the Dayton-Springfield MSA. If Middletown could attract employers in the “new economy” segment of the employment market in proportion to the Cincinnati CMSA or Montgomery County, between 1,300 and 2,300 jobs could be attracted, or created, in the city.

It is likely that any “new economy” jobs, attracted or created, would require new space to occupy. Based on typical employment densities between 2.1 persons and 2.4 persons per one thousand square feet of building area, this growth could result in a need for between 540,000 square feet and 1,100,000 square feet of space. Depending on future expansion requirements, this potential employment growth could create demand for between 50 acres and 150 acres of business/industrial, park, land, exclusive of rights-of-way and any amenities. Middletown’s proximity between two larger cities suggests that any business/industrial park developments

should be located in close proximity to I.R. 75. While some of the employment growth suggested in this analytical scenario could come from the needs of local companies, it is more likely that companies locating in Middletown would have working relationships with companies in Cincinnati and/or Dayton.

The discussion above leads to two important observations. First, the decline of companies in the traditional, heavy industrial segment of the local market is not likely to result in any physically or functionally adequate, available inventory of industrial space for future employment growth. Second, there appears to be very little available inventory of adequate buildings and, more importantly, market ready sites in close proximity to I.R. 75 to attract new business and industry.

The identification of segments of business and industry that could be a part of projected, desirable, future employment growth in the local economy and beyond indicates a potential demand for as much as 150 acres of business/industrial, park land in the city.

Any projections regarding employment growth and resulting space needs are based on a series of essential prerequisites. Available land and buildings are only two of these prerequisites. Regional competition for economic development opportunities is fierce. The city, or an entity, must be given the task of economic development and strongly supported in its efforts. The economic development staff must be sufficient in numbers to search for new business and industry as well as respond to the needs of growing companies already in the city.

The city of Middletown must be competitive in its initiatives and incentives to foster economic development. Given the large numbers of deteriorated, functionally obsolescent industrial structures on the landscape today, a significant effort should be directed toward “brownfield” redevelopment. While these sites may not be competitive in the current industrial market, the land areas may represent future development opportunities for non-industrial uses. To ignore worn out industrial structures on the landscape encourages urban sprawl and creates a negative perception regarding the city’s vitality and economic health.

Additional information regarding the “new economy” can be found in Appendix B.

ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES

The objectives and corresponding tasks are directly linked to Goal A, Diversify and modernize our local economy. Middletown's economy is concentrated in a few industries in categories that are declining or stagnant nationally. The city needs to diversify its economic base and find a new niche in order to add at least 3,000 jobs and grow the incomes of its residents.

OBJECTIVE ED 1: Recruit businesses that allow Middletown to capture a proportional share of new economy jobs found in the region.

ISSUE: Middletown relies on a small number of companies and industrial sectors for its economic base.

ED 1.1 Develop a modern high-tech business park under public ownership and/or control near future hospital site at the I-75/SR 122 interchange. New-economy companies operate primarily in business park environments. Middletown must have one high quality business park near the interstate to compete for new businesses and retain existing companies that need to expand. (See related strategies ED 1.2 and ED 3.2).

- 1.1.1. Determine potential business needs and market demand before designing infrastructure and lot configurations.
- 1.1.2. Consider alternative resources such as Tax Increment Financing and strategic partnerships to finance land acquisition, infrastructure, and business park development.
- 1.1.3. Acquire or control enough land to develop a multi-phase business park, preferably not less than 100 acres. Ideally, all vacant land around the hospital should be preserved for business park development through zoning, development agreements, covenants and restrictions, or public/private venture ownership to preclude undesirable development patterns from taking hold before the office industrial market revives. This task will likely take public involvement as the private sector is usually not willing to hold large land areas without assurances from a strong market.
- 1.1.4. Extend utilities to the site including high-speed communication infrastructure. Provide redundant electrical and communications systems to reduce service interruptions and to gain a competitive advantage.
- 1.1.5. Create and approve a PUD or overlay for all business parks. Offer companies fast-track administrative approval for development proposals that meet PUD requirements and guidelines. Establish appropriate use restrictions and design standards that complement a modern state-of-the-art institutional campus and office/research development park.

ED 1.2 Market the MRH Healthcare and Technology Campus at the I-75/SR 122 interchange to complementary companies and institutions.

- 1.2.1. Develop a marketing strategy with the Chamber of Commerce and MRH to attract high tech industries and professional office uses.



Conceptual drawing of future MRH campus

- 1.2.2. Working with MRH, commission a feasibility study to create a state-of-the-art regional health care training and research and development facility as a logical continuation of MRH's planned Greentree Academy. Such facility would allow regional hospitals, universities, medical colleges, and private industry to share a centrally located facility to train staff, perform medical research, and commercialize ideas.

ED 1.3 Modernize right-of-way standards, engineer standards, and subdivision regulations to require high speed data transmission lines in addition to other utilities for new development. New economy companies operate on ideas, information, and data that must be accessible and quickly shared between offices, partners, and clients located around the world on high-speed data transmission systems. High-speed telecommunications infrastructure is the 21st Century equivalent to the interstate highway system in terms of relative importance for economic development.

OBJECTIVE ED 2: Establish an economic development entity with the authority and accountability to effectively attract and retain jobs and businesses.

ISSUE: Middletown has not successfully performed necessary economic development functions.

ED 2.1 Establish an economic development department and program within City Hall.

- 2.1.1. Hire a full-time Economic Development Director that reports directly to the City Manager and is responsible for establishing and managing essential economic development programs and functions on behalf of the city.
- 2.1.2. Create and annually update an Economic Development Strategic Plan with goals and performance measures.
- 2.1.3. Prioritize departmental spending, budgets and capital improvements to implement economic development goals.
- 2.1.4. Hire additional staff to complement a fully operational economic development department including an economic development professional and administrative assistant.

ED 2.2 Create an industrial development corporation with representation from the local business community and public officials. The purpose of this coalition is to: (1) create a single-minded organization to succeed in economic development by influencing companies to locate and expand; (2) develop creative solutions using public and private sector resources to overcome obstacles and meet company site selection or expansion needs; (3) work cooperatively with the City Administration to set economic development-related policy; (4) finance economic development projects (business parks), business start-ups, and small business operations within the city; and (5) prepare sites for development including underutilized greenfield and brownfield properties.

- 2.2.1. Create the shell organization with bylaws and establish a Board of Directors. Give the Board of Directors an operating budget and the authority to execute projects and recommend economic development policy to the City Administration.
- 2.2.2. Assign the Economic Development Director as the corporation's chief executive until the job warrants a full time position.

- 2.2.3. Encourage companies, institutions, and individuals to become members. Annual dues should be charged based on company size.
- 2.2.4. Provide funding for operating budgets and projects through an alternative funding mechanism such as tax assessment or increased hotel tax. Consider creating a revolving loan program.

ED 2.3 Develop an Economic Development Incentives policy that is adopted by City Council and has support from the public and the school district.

- 2.3.1. Use clear and precise language to avoid ambiguity to ensure consistent use of incentives.
- 2.3.2. Receive Middletown City Schools’ support and buy-in to circumvent delays and possible negative media releases when such incentives are utilized. Determine alternative funding mechanisms for schools on larger tax incentive deals.
- 2.3.3. Use performance-based measures when determining which companies should receive incentives. Incentives should be given to companies that meet the city’s employment and economic diversification goals.

ED 2.4 Develop and execute a strategic economic development marketing strategy. Middletown must become entrepreneurial in its approach to appeal to new companies.

- 2.4.1. Work with partners such as the Chamber of Commerce to create the strategy and determine responsible parties for each action.
- 2.4.2. Create an economic development web page that is rich in content, easily accessible within the City’s host web address, and markets the City in a positive light 24/7.

OBJECTIVE ED 3: Create market-ready sites at attractive locations with good regional access.

ISSUE: Little land is available with good regional accessibility that will attract users needing turn-key sites.

ED 3.1 Acquire and/or control more land with interstate visibility and accessibility by executing a multi-faceted growth strategy.

- 3.1.1. Enter into creative development agreements with neighbors to share benefits and costs of new commercial development. State law permits such arrangements including Joint Economic Development Districts (JEDDS).
- 3.1.2. Purchase additional land as the sole owner or with partners including banks, companies, and/or the Butler County Port Authority.
- 3.1.3. Annex vacant land suitable for long-term business park development.

ED 3.2 Develop one business park adjacent to the interstate to provide development-ready sites to prospective companies seeking interstate locations. (See related strategies ED 1.1 and ED 1.2)

ED 3.3 Redevelop underutilized and/or obsolescent commercial and industrial properties that are either near or easily accessed from the interchange. Demolish obsolescent

structures to make land available for future economic growth and to remove blighting influences.

ED 3.4 Protect the relatively small amount of vacant land located close to the interchange from undesirable development patterns. The window of opportunity to prevent undesirable development occurring on this land area is relatively short given forecasted regional population growth.



Open land near I-75/SR122 Interchange

- 3.4.1. Review the Zoning Ordinance and Map to ensure the property is properly zoned.
- 3.4.2. Amend the zoning ordinance and/or map should undesirable uses currently be allowed.
- 3.4.3. Approve a PUD with use restrictions, design standards, and protective covenants. An overlay district or districts should be considered at a minimum.

ED 3.5 Create new gateways. Plan new interchanges and alternative means of improved interstate access to enhance access to vacant land located adjacent to I-75, brownfield properties, and existing industrial parks.

ED 3.6 Provide continued support to the I-75/122 interchange upgrade.

- 3.6.1. Work with ODOT and OKI to leverage opportunities to implement aesthetic treatments that emphasize this interchange as the primary gateway to Middletown (See Chapter 6 Quality of Life for strategies relating to community image).
- 3.6.2. Incorporate pedestrian/bicycle facilities in the interchange design.

OBJECTIVE ED 4: Prepare workforce for tomorrow’s jobs and recruit jobs that match the skills of new residents living in or near Middletown.	
ISSUE:	Middletown’s labor force is hard-working but largely has outdated skill sets that cannot compete for high-paying New-Economy jobs.

ED 4.1 Improve the visibility and accessibility of Miami University Middletown (MUM) to the Middletown environs through joint promotion and marketing. Consider smaller satellite classrooms located in neighborhoods including the downtown or in shopping centers. Also consider improving the streetscape along MUM street frontage.



ED 4.2 Support MUM’s and Butler Techs efforts to provide adult continuing education as part of the city’s effort to train the workforce for tomorrow’s jobs.

- 4.2.1. In conjunction with MUM, Butler Tech, and Chamber, survey area employers to identify their workforce needs.
- 4.2.2. Encourage MUM and Butler Tech to continuously expand course offerings if instructional gaps are found.

ED 4.3 Encourage more cooperation, involvement and partnership between Middletown City Schools, Butler Tech, local government, private industry, and concerned residents to continuously improve student preparedness.

ED 4.4 Attract companies to Middletown that require the professional, educational, and occupational skills of residents that live close to Middletown. Marketing efforts should include workforce characteristics of people living within a 20- to 30-minute commute of Middletown.

ED 4.5 Inform and promote the Ohio Job Training Tax Credit program to area businesses as an incentive for companies to spend resources on training.

<p>OBJECTIVE ED 5: Retain and expand businesses by creating and maintaining a positive business environment.</p> <p>ISSUE: Middletown must be sympathetic towards business needs.</p>

ED 5.1 Maintain business retention and expansion program to help existing companies stay and expand in Middletown. Providing sufficient resources to maintain this program is a top priority (See ED 1.2.1.). Below are essential elements to a successful retention and expansion program.

- 5.1.1. Create a database with basic information about Middletown companies.
- 5.1.2. Establish a point of contact with each business and maintain frequent communications to maintain relationships, learn of future plans, growth obstacles, and industry trends; and market City services that may encourage companies to stay and expand.
- 5.1.3. Follow up as soon as possible to local company needs such as overcoming development obstacles and dealing with state reporting requirements.
- 5.1.4. Maintain a network of business service providers that can assist with providing solutions to business obstacles and constraints.



Greentree Industrial Park

ED 5.2 Create an entrepreneurial economic development culture within City government with a must-do, can-do attitude.

- 5.2.1. Responsive. Be responsive to requests made by prospective and existing companies for information about Middletown. The business environment is fast-paced. Communities that are not responsive may lose a potential expansion to a more responsive community. Consider creating high-quality materials with frequently requested community information that can be quickly mailed, emailed or accessed on a website.
- 5.2.2. Knowledgeable. Staff must be knowledgeable on a wide range of development-related items including land availability, building inventory, zoning, tax and utility rates, available incentives and demographic and workforce characteristics.
- 5.2.3. Flexible team work. Assemble ad hoc economic development teams with professionals needed to solve complex development issues in a timely manner. Such teams should include the right mix of Industrial Development Corporation members (See ED 1.2.2.), City staff, county staff, elected officials, and business representatives to brainstorm strategies and solutions to land new or retain existing companies.
- 5.2.4. Professional image. First impressions create lasting impressions. Train all city staff members on the importance of high quality customer service.

ED 5.3 Turn city hall into a business advocacy center. Help businesses navigate the city's complex development-related plans, codes, review and permitting processes and engineering standards.

- 5.3.1. Establish a case worker system. Assign one staff person to each company that calls requesting help or information or development approvals. This person will help a prospective or existing company to coordinate with other government departments and receive development approvals.
- 5.3.2. Post permit and development applications, the City charter, zoning code, zoning map, subdivision code, and land use plans online. Consider placing all these items in one easy-to-find location on the City's web page. Ensure continual updating of the web page by integrating the Internet into the management process of all applicable City departments.

ED 5.4 Review development regulations and review processes to identify ways of streamlining the approval and permitting processes.