



MEMORANDUM

TO: Mayor Riggle and Members of City Council
FROM: Tom Homan, City Manager
DATE: March 14, 2018
RE: Managers Comments on Monday's Work Session (03/19/18)

Attached is the agenda and supporting information for Monday's Work Session on economic development.

Following introductions, Delaware County Finance Authority Chairman Daniel Stadge and Steve Cuckler will provide an overview of the role of the Finance Authority in Economic Development. In addition, Steve Cuckler will speak from a presentation he gave at the Economic Development 411 Symposium last December. A copy of his presentation is attached.

This will be followed by a presentation from Economic Director, Sean Hughes, on the City's 2014 Economic Development Plan, as well as a review of what our economic development results were in 2017 (see enclosed memo and attachments from Sean).

Following discussion on this, Jim Russell, Executive Vice President of the The Pizzuti Companies, will speak about site development and the role of the public-private partnership in economic development. The Pizzuti Companies (www.pizzuti.com) is a Columbus-based commercial/industrial developer.

Finally, time has been set aside following the presentations for a general discussion, including next steps.

**NOTICE OF WORK SESSION
ON ECONOMIC DEVELOPMENT
DELAWARE CITY COUNCIL
MONDAY, MARCH 19, 2018
6:00 P.M.
1 SOUTH SANDUSKY STREET
COUNCIL CHAMBERS**

AGENDA

1. Roll Call
2. Introductions
3. The Role of a Finance Authority in Economic Development:
David Stadge, Chairman, Delaware County Finance Authority
Steve Cuckler, Partner, Taft Stettinius & Hollister LLP
4. City of Delaware Economic Development Strategic Plan:
Sean Hughes, Economic Development Director
5. The Role of the Private Sector in Economic Development:
Jim Russell, Executive Vice-President, The Pizzuti Companies
6. Discussion
7. Next Steps
8. Adjournment

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**ECONOMIC
DEVELOPMENT 411**
THE COLUMBUS REGION

WHAT IS OUR VISION FOR COMMUNITY/AREA?

LEAD!

Taft /

#ED411

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**ECONOMIC
DEVELOPMENT 411**
THE COLUMBUS REGION

IS OUR COMMUNITY REALLY COMMITTED TO ECONOMIC DEVELOPMENT?

SPEAKING TO A LOCAL CLUB, MAYOR BUCK RINEHART ASKED WHETHER THE AUDIENCE KNEW HOW A PIG AND A CHICKEN ARE CONNECTED WITH MAKING BACON AND EGGS. "THE CHICKEN'S INVOLVED," RINEHART SAID. "THE PIG'S COMMITTED."

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**ECONOMIC
DEVELOPMENT 411**
THE **COLUMBUS** REGION

**WHAT DO OUR
CURRENT EMPLOYERS
THINK ABOUT US?**

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**ECONOMIC
DEVELOPMENT 411**
THE COLUMBUS REGION

WHAT DO COMMERCIAL DEVELOPERS/SITE SELECTORS THINK ABOUT US?

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**ECONOMIC
DEVELOPMENT 411**
THE COLUMBUS REGION

**KNOW YOUR MARKET.
KNOW YOUR COMMUNITY.
KNOW WHAT OTHER
COMMUNITIES ARE DOING.**

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**ECONOMIC
DEVELOPMENT 411**
THE COLUMBUS REGION

**LAND COSTS
ZONING
ROADS
UTILITIES**

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ECONOMIC DEVELOPMENT 411
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**CERTAINTY
PREDICTABILITY
SPEED
POLITICAL STABILITY**

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ECONOMIC DEVELOPMENT 411
THE COLUMBUS REGION

HOW CAN WE CREATE A WIN/WIN FOR COMMUNITY AND PROJECT?

Taft /

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MEMORANDUM

TO: MAYOR AND MEMBERS OF CITY COUNCIL; TOM HOMAN, CITY MANAGER
FROM: SEAN HUGHES, ECONOMIC DEVELOPMENT DIRECTOR
DATE: 3/14/2018
RE: ECONOMIC DEVELOPMENT WORK SESSION

We look forward to next Monday's Work Session on Economic Development. As you can see by the attached 2017 Economic Development Annual Report, we are doing well with regards to economic development especially in comparison to some Central Ohio communities.

To assist with the conversation, we wanted to share some information and documents for you to review. Please do not hesitate to let me know if you have any questions before the Work Session.

1. Economic Development Results – We have attached the 2017 Economic Development Report to show you how we ended the year.

a. **Benchmarking** – To give you an idea of how we stack up against similar Central Ohio communities, we gathered the following. Please keep in mind that most communities are navigating away from job creation as the most important metric for economic development because it doesn't speak to the value of the jobs created. We are still collecting communities' metrics.

- i. Licking County – 450 jobs created (this is for an entire county that includes Newark, Etna, Heath and part of New Albany, so it isn't an apples to apples metric)
- ii. Hilliard – 348 jobs created
- iii. Union Co. – 246 jobs created (this is for an entire county that includes Marysville, Plain City, Industrial Parkway, etc. so it isn't an apples to apples metric)
- iv. City of Delaware – 229 jobs created (avg. wage of \$56,363.64 for combined jobs; avg. wage of \$69,520.59 for target industry jobs)
- v. Gahanna – 212 jobs created
- vi. Grove City – This community does not track metrics per Dan Havener, the community's Economic Development Director.

2. ED Department Goals

a. The ED Report is developed in such a way as to report on progress to goals or the exceeding of goals. As we mentioned above, we do not have an overall "job creation" goal because it is a metric that is being abandoned by economic development organizations at multiple levels because it doesn't really talk about the value of each job created and what impact it has on a specific community with its individual community needs.

b. The attached Economic Development Plan was completed in 2014 and will be re-written/updated this year and early next year in tandem with the Comprehensive Plan update. Economic Development Consultant Randall Gross, who has worked with the City before, will be conducting a thorough labor force and real estate analysis as part of the Comprehensive Plan work.



c. Our ED Plan is one of only about 13 plans done Central Ohio and was ranked in the top third out of the 13 by an independent analysis conducted by Columbus2020 in 2016 for its content, thoroughness and ability to assist the City of Delaware to prepare for economic growth. There are 35 economic development organizations in Central Ohio.

d. **Pages 19 – 30** outline Goals, Strategies, Measurable Objectives and Tactics with a definition of each. These were established to take advantage of community strengths and strengthen weaknesses as found in the SWOT analysis. These pages are really an action plan.

e. **Page 31** talks about measuring or evaluating the effectiveness of the plan.

3. ED Project Analysis

a. The attached draft **Economic Development Incentive Policy (EDIP)** was originally developed in 2014 and has been updated several time since as we have worked through various projects and tested the criteria and evaluating tools in the Policy document. The schools have been partners in developing this document.

b. The Economic Development Incentive Policy will lead to a way of easily showing the cost and benefit of each project to a school board and City Council. As mentioned before, we will begin adding a project analysis to future Council Fact Sheets.

c. We are only one of a handful of communities in the state that has a thorough EDIP.

d. The EDIP should be accepted by the City Council and Schools by a resolution of support.

4. Target Areas with Needs Assessment

a. Some of this was done in the attached **Economic Development Plan** with items identified in the SWOT analysis and then addressed in the action plan on **pages 19-30**.

b. A thorough study for pad-readiness has been conducted for all lands around the US42/Sawmill Parkway corridor. This is not something I could attach to this email.

5. ED Objectives

a. **Target Industries – Pages 15 – 17 of the Economic Development Plan.** This includes reasons for each.

b. Workforce Development – Pages 24-26 of the Economic Development Plan.

i. I also serve on the DACC Business Advisory Council and have regular meetings with School Superintendents, Guidance Counselors, RAMTEC and CSCC about business needs as discovered through our very strong BRE program.

ii. We established a program in 2015 that worked with a Central Ohio staffing agency to bring Puerto Rican workers to Delaware to help our companies to assist with difficulties in finding employees as well as employee retention. Puerto Rico is a U.S. holding and, therefore, the workers are not considered immigrants and do not need work visas, etc.



- Kroger had moved their dry goods business to another facility because they were unable to find and retain workers in Delaware. This new program turned things around for them and they now have a 65+% retention rate.
- Now, NEX Transport is also utilizing this program with great results at both their Delaware and Bellefontaine facilities.
- This program is now being duplicated across the state.

iii. We also worked with Carolina Color to develop a prison work program, but Ohio's prison system would not allow the program to happen.

CC: Directors

2017 Economic Development Report

LEAD GENERATION

372 Leads
(26.5% increase over 2016)

Leads are a metric that exhibits the effectiveness of marketing and relationship building efforts. Unlike a typical sales definition of "leads," economic development leads are companies that are actively seeking to expand or relocate in a community. They have had an initial conversation with a community. Many entities would consider these to be projects.

16%

Columbus2020/JobsOhio Industrial & Office Leads
• 61 Total Leads
• 43% Converted to Projects

15%

Direct Industrial Leads
• 57 Total Leads
• 100% Converted to Projects

12%

Direct Tech/Office/Medical Leads
• 44 Total Leads
• 100% Converted to Projects

26%

Direct Retail & Restaurant Leads
• 95 Total Leads
• 100% Converted to Projects

31%

Business Retention & Expansion
• 115 Total Leads
• 77% Converted to Projects

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BUSINESS RETENTION & EXPANSION (BRE)

115 Company Visits
(13% increase over 2016)

65% of new jobs that are created in a given community are created by existing companies. A strong BRE program results in a strong local economy.

77%

Of the 115 company visits, 89 or 77% resulted in projects.

Handshake Designed by D31images / Freepik



PROJECT MANAGEMENT

The City's Economic Development Team Managed 311 Projects in 2017

This number represents leads that have converted to projects. Projects are Leads that have moved past an initial conversation.

Puzzle Graphic Designed by D31images / Freepik



1,513 Businesses

This is up from 1,491 in 2016.

Office Graphic Designed by D31images / Freepik



WINS!

26 Successful Project Completions
(7% lead to win conversion)

A Project becomes a successful completion when the company takes occupancy, expands, or receives substantial assistance that results in job and or investment creation.

229

This is the number of jobs created due to successful Project completions. Of these, 63.8% were in target industries.

\$12,780,000

This is the NEW payroll tied to the newly created jobs.
• 42.2% greater than 2016
• 79.4% from target industries
• \$69,520.59 avg. annual salary from target industry jobs

86

This is the number of retained jobs from successful retention and expansion projects.

Completed Tech/Office/Medical

- Taft/
- TriTraction
- Ascent Audiology and Hearing
- Bolton Insurance
- ACR Consulting Services
- Substratum

Completed Retail & Restaurant

- Off The Block (since closed)
- Buckeye Motors
- Tiger Lee's Martial Arts
- Secrety Identity Comics
- Periwinkle Studios
- Real Big Puppy
- Speedway
- Flying Pig Ale House
- Shell Gas
- Planet Fitness
- Oak & Brazen

Completed Business Retention & Expansion

- Ohio Health Radiation Oncology
- Washington Auto Parts Inc.
- Olivina Tap Room (liquor license)
- Great Gouda (liquor license)
- Aldi (liquor license)
- Carolina Color
- Federal Heath
- Delaware Diamonds
- Oberfields

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Local Economy Statistics

The primary goals of economic development are to create opportunities for a community's residents as well as create a sustainable and healthy local economy. The following metrics are signs of the effectiveness of an economic development plan on achieve these two goals.



Median Household income grew by 1.8% in 2017.

- 2017 - \$65,382*
- 2016 - \$64,233*

* Estimates from GIS Planning



Workforce Inflow and Outflow are indicators of whether or not we are creating jobs for our resident labor force. This number moved slightly backwards as residential growth slightly outpaced job growth in 2015.

- 2015 - 19.6% lived and worked in city*
- 2014 - 20.1% lived and worked in city*

* Most recent estimates by U.S. Census' On the Map application

1.6%

Jobs grew at 1.6% in the City in 2017. In comparison, job growth was only 0.7% before the current economic development plan.



Income tax growth is partly due to new companies and employees paying income taxes.

- 2017 - \$25,898,396
- 2016 - \$24,975,316

Chart, Keys, and City Block Designed by D31images / Freepik

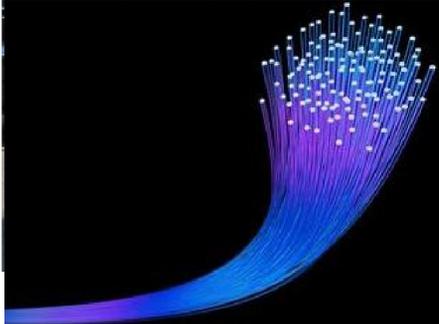
City of Delaware Jobs and Payroll Metrics 2013 to 2017

Created Jobs

	2013	2014	2015	2016	2017	
Industrial	\$750,000.00	\$3,767,200.00	\$3,060,000.00	\$3,760,000.00	\$6,600,000.00	
Tech/Office/Medical	\$5,800,000.00	\$300,000.00	\$3,020,000.00	\$635,000.00	\$3,550,000.00	
Retail/Restaurant	\$2,435,000.00	\$1,035,000.00	\$2,180,000.00	\$4,590,000.00	\$2,630,000.00	5-year Total
Totals:	\$8,985,000.00	\$5,102,200.00	\$8,260,000.00	\$8,985,000.00	\$12,780,000.00	\$44,112,200.00

	2013	2014	2015	2016	2017	
Industrial	19	102	48	105	105	
Tech/Office/Medical	80	3	46	9	41	
Retail/Restaurant	135	44	70	119	83	5-Year Total
Totals:	234	149	164	233	229	1009

\$69,520.59 avg for JUST core industry jobs 2017
 \$38,552.63 avg for JUST core industry jobs 2016
 \$64,680.85 avg for JUST core industry jobs 2015
 \$38,735.24 avg for JUST core industry jobs 2014
 \$66,161.62 avg for JUST core industry jobs 2013



2014 Economic Development Plan

Business. Life. *Success.*



Economic development is more than just attracting new large employers. It is about infrastructure, preparing sites and buildings, workforce development, small business development and community development. It is a pathway to economic prosperity, self-sufficiency and sustainability neighborhoods and a fiscally sound City. In fact, it isn't as much about job creation as it is wealth generation for all stakeholders including residents.

As the economy continues to improve, it is essential that the City of Delaware is recognized for its assets and is known as a partner in the growth and success of businesses of all types, and as a place where staff understands and respects the critical business elements of time and certainty. As partners, we have common goals and can find mutually beneficial solutions and opportunities.

This Economic Development Plan is a purposeful, concentrated effort to achieve this vision with a focused use of City's resources. The plan take a careful analytic look at our assets, weaknesses and opportunities and develops ways to make the best use of our strengths, assets and opportunities, while mitigating our weaknesses. Due to our status as a fast growing community with an incredible quality of life, we are attracting a new type of labor force that provides for new opportunities. We also have some workforce weaknesses but we have the opportunity to be part of a regional effort to provide solutions to the needs of our current and future employers.

Table of Contents

- **Labor Analysis and Economic Structure—Pages 1—10**
- **Summary of SWOT Analysis—Pages 11-14**
- **Economic Development Team Mission—Page 15**
- **Target Industries—Pages 15—17**
- **The Business Attraction Process—Page 18**
- **Economic Development Goals, Strategies, Objectives and Tactics—Pages 19— 30**

Economic Development is a team effort and includes all City staff, elected officials and residents. We all have a part to play in the creation of economic prosperity. We should have an economic development perspective in all that we do, and be willing to proactively coordinate efforts efficiently and effectively across departments.

We look forward to working with all of our partners to complete this plan. We are fortunate to be in a strong region, the Columbus Region, where we not only benefit from Columbus' increasingly positive national and global image , but also have access to some of the most accomplished partners and resources such as Columbus2020, TechColumbus, the Economic and Community Development Institute, the Ohio State University, Columbus State Community College, etc. A tremendous amount of dollars and effort are being spent to market the region allowing us to best utilize our limited dollars and resources as a City to accomplish the work in this plan.

Thanks for your continued support!

Sean K. Hughes, MS

Business Concierge and

Economic Development Director

City of Delaware

Labor Analysis & Economic Structure

The following demographics snapshot includes relevant data that gives us a good idea of the City of Delaware's resident workforce population as well as the workforce we would be drawing from our surrounding region. The resident workforce demographics will shape the types of target industries and jobs we should attract to make sure our local workforce does not have to commute outside of the city for work every day. Currently, nearly 80% of our local labor force leaves the city for work. Conversely, we are importing 80% of our needed labor for our current employers. Therefore, the regional workforce information also will shape our target industries.

What does that mean?

- The City of Delaware's population grew by 3.4% in two years and the county's grew by 3.9% during the same period. Therefore, the city and county are growing at nearly the same pace and as housing start-ups continue to increase after the recession, this pace should continue to grow.

Theoretically, this level of population increase would signify that we have a healthy workforce increase. Our labor force did grow from 13,557 in 2000 to 17,900 in 2013 which constitutes a 32% increase in available labor force. However, we will need to watch trends in increases of the three major ages of population to accurately project what our total labor force and what our workforce demands in terms of occupations and industries will look like in the next 5 years.

	United States	Ohio	City of Delaware	Delaware County	Columbus Region
2012 Population	313,914,040	11,544,225	35,925	181,061	2,000,000
2010 Population	308,745,538	11,536,504	34,753	174,214	1,974,000
2010-12 Pop. Growth	1.7%	0.1%	3.4%	3.9%	1.3%
Median Age	37.2	38.8	33.2	36.8	38.0
Population under 18	23.5%	23.7%	25.5%	28%	
Population 65 and over	13.7%	14.1%	11.1%	10.5%	
Est. Median Household Income	\$52,762	\$48,701	\$57,201	\$90,022	\$52,632
Civilian Labor Force	154,975,000	5,748,000	17,900	95,300	1,042,117
Unemployment Rate 6/2013	7.6%	7.3%	6.0%	5.3%	
Graduate Degree	13%	7%	9%	14%	
Bachelor's Degree or Higher	28.2%	24.5%	32.1%	50.0%	31.3%
Associate's Degree or Higher	38%	35%	40.2%	60%	
Some College/No Degree	22.1%	20.5%	19.6%	16.9%	20.2%
High School Grad or Higher	85.4%	87.8%	92.3%	95.9%	
White Collar	38%	35%	62%	59%	
Blue Collar	61%	64%	37%	40%	

Labor Analysis and Economic Structure continued

	United States	Ohio	City of Delaware	Delaware County	Columbus Region
Job Growth 2011-12	1.99%	1.69%		4.6%	
Small Businesses		850,961	1,088	5,237	
Management, Business, Science, Arts Occupations		34%	38.6%	50%	
Service Occupations		18.1%	18.5%	12.1%	
Sales And Office Occupations		25%	26%	25.5%	
Natural Resources, Construction, And Maintenance		7.6%	5.8%	5.1%	
Production, Transportation, Material Moving Occupations		15.2%	11.1%	7.3%	
Occupational Industry: Agriculture, forestry, fishing and hunting, mining		0.9%	0.8%	0.63%	
Occupational Industry: Construction		5.1%	4.1%	4.0%	

For instance, youth ages 0 to 17 are the second largest percentage of population but had the highest population growth between 2000 and 2010 at nearly 41.95%. Our largest population and the bulk of our labor force, the age group of 18 to 64, had the least growth at 35.66%. Those who are most likely exiting the workforce now or in the next few years, people aged 65+, are the smallest percentage of the population, but had the second highest growth at 39.62%. This would typically signify we have a high percentage of labor force who may be retiring, but we have a very large pool of potential labor force coming into the pool in the next few years, however, we will still need to make sure they are trained and want to remain here.

- What do statistics say about our current labor pool and our upcoming labor pool?

Here and nationally, a tremendous amount of the current labor force will retire in the next five years. The remaining current labor pool that will replace those leaving is smaller in the rest of the state and country, but ours is still healthy. However, as you see with our demographics, our remaining current labor pool also tends to be highly white collar.

“Research by economist Barry Bluestone, dean of the School of Public Policy and Urban Affairs at Northeastern University, [predicts labor shortages](#) over the next eight years to the tune of more than 5 million job vacancies, including 2.4 million in the education, health care, government and nonprofit sectors.

"If the baby boom generation retires from the labor force at the same rate and age as current older workers, the baby bust generation that follows will likely be too small to fill many of the projected new jobs," says Bluestone's report, *After the Recovery: Help Needed - The Coming Labor Shortage and How People in Encore Careers Can Help Solve It.*" Matthew Scott, *dailyfinance.com*, 2010

Labor Analysis and Economic Structure continued

	United States	Ohio	City of Delaware	Delaware County	Columbus Region
Occupational Industry: Manufacturing		15%	12.4%	9.5%	
Occupational Industry: Wholesale Trade		2.8%	2.3%	4.1%	
Occupational Industry: Retail Trade			13.3%	11.1%	
Occupational Industry: Transportation and warehousing, and utilities		4.8%	3.7%	3.8%	
Occupational Industry: Information		1.8%	2.5%	2.8%	
Occupational Industry: Finance and insurance, and real estate and rental and leasing		6.4%	9.1%	12.8%	
Occupational Industry: Professional, scientific, management, administrative and waste management services		8.9%	8.9%	12.7%	
Occupational Industry: Educational services, and health care and social assistance		24.7%	24.2%	22.8%	

Of our current workforce, nearly 19% are Baby Boomers, ages 45 to 64, and will be retiring throughout the next 20 years. The upcoming workers, those under 18, make up a quarter of our population. Therefore, despite national worker shortages, our local labor force could be robust if we pay attention to other demographic trends such as education and training.

- The City and County have some of the highest educational attainment rates in the state and country. The City and County also have a higher percentage of white collar (62% and 59% respectively) compared to the state and country (35% and 38% respectively). These demographics combined with the fact that 83.9% of our city's workforce commutes outside of the City for work everyday compared to an import of 78.6% of our City's needed labor, gives us an indication of how we should shape some of our economic development efforts. This becomes even more evident when looking at the labor force industry and occupation data. With so many of our manufacturing employees coming from a distance of 30 miles or greater (see labor sheds on pages 9 and 10) and a total of 1.6 million workers in central Ohio, we have plenty of labor force to supply our current and future manufacturers. Many just need some sort of formal training.
- The top 10 employers in the City each employ 175 or more employees. Three employ 100 or more and the rest are less than 100 employees. Most of these are small manufacturers employing 15 to 86, therefore, even our manufacturing base is composed of small businesses. The National Establishment Time Series (NETS Database) continues to support the fact that small businesses create the most jobs nationally.

Labor Analysis and Economic Structure continued

	United States	Ohio	City of Delaware	Delaware County	Columbus Region
Occupational Industry: Arts, Entertainment, Recreation, Accommodation and Food Services		8.7%	8.7%	6.9%	
Occupational Industry: Other services, except public administration		4.6%	4.9%	3.9%	
Occupational Industry: Public administration		4.2%	5.1%	5.1%	
Workforce living and working inside geographical area			16.1%	36.5%	
Living in geographical area, but working outside of that area			83.9%	63.5%	
Needed workforce coming from outside of area			78.6%	51.4%	
Needed workforce coming from local resident labor pool			21.4%	48.6%	
Avg. Drive Time of Labor Pool		25 min.	25 min.	26.5 min.	

- The Office of Workforce Development and JobsOhio project the following industry sector job growth from 2010 to 2020:

- ◇ Information Technology and Services: 34.6%
- ◇ Logistics: 17.5%
- ◇ Business Functions: 14.7%
- ◇ Automotive: 4.3%
- ◇ Financial Services: 4.3%
- ◇ Food: 0.8%
- ◇ Aerospace and Aviation: 0.7%
- ◇ Polymers and Chemicals: -0.1%
- ◇ Advanced Manufacturing: -2.2%
- ◇ BioHealth: -3.9%
- ◇ Energy: -3.6%

Some of the City’s traditional industry sectors have projected declines in job growth statewide; whereas, some of the industries where our current labor force are employed have significant projected job growth.

- Our percentage of workers living and working in the City is low for stand-a-lone cities, but average for major metro suburbs:
 - ◇ Bowling Green—47.6%
 - ◇ Lancaster—36.7%
 - ◇ Lima—29.9%
 - ◇ Marion—25.3%
 - ◇ Boardman—21.2%
 - ◇ **Delaware—16.1%**
 - ◇ Beavercreek—15.9%
 - ◇ Dublin—15.6%
 - ◇ Westerville— 15.1%
 - ◇ Fairborn—13.7%
 - ◇ Grove City—10.3%
 - ◇ Brunswick—9.6%
 - ◇ Hilliard—8.1%
 - ◇ Gahanna—8.0%

What are people doing?

Industry	City of Delaware Labor Force by Sector working anywhere (onthemap.census.gov)	Regional Employment By Sector working anywhere (Ohio LMI, 2011 Columbus MSA + Knox, Marion, and Logan Counties)	% and # of people that are employed in this industry sector IN the city (2011 County Business Patterns)
Forestry, fishing, hunting, and agriculture support	.31% / 55	.24% / 1,824	.02% / 3
Mining, quarrying, and oil and gas extraction	.07% / 13	.11% / 857	.09% / 15
Utilities	.68% / 120	.41% / 3,134	.72% / 124
Construction	3.23% / 567	3.80% / 28,985	2.33% / 403
Manufacturing	10.19% / 1,787	10.39% / 79,343	17.67% / 3050
Wholesale Trade	5.44% / 954	2.69% / 20,516	1.65% / 285
Retail Trade	13.69% / 2,402	13.68% / 104,450	10.78% / 1861
Transportation and warehousing	4.57% / 802	4.68% / 35,758	11.61% / 2004
Information	2.23% / 391	2.24% / 17,113	.43% / 75
Finance and Insurance	6.04% / 1,059	7.16% / 54,640	1.55% / 268
Real Estate and Rental Leasing	1.27% / 222	1.64% / 12,527	.64% / 111
Professional, scientific, and technical services	8.31% / 1,457	8.35% / 63,721	2.28% / 393
Management of companies and enterprises	2.33% / 408	2.66% / 20,319	2.58% / 445
Administrative and support and waste management and remediation services	6.86 / 1,203	8.20% / 62,621	9.29% / 1604
Educational services	9.16% / 1,607	2.26% / 17,246	7.65% / 1327
Health care and social assistance	13.40% / 2,351	15.63% / 119,296	18.49% / 3192
Arts, entertainment, and recreation	1.37% / 240	1.58% / 12,061	.77% / 133
Accommodation and food services	8.04% / 1,410	10.72% / 81,838	8.14% / 1405
Other services (except public administration)	2.81% / 493	3.55% / 27,126	3.25% / 561

Labor Excesses and Shortages

Industry	City of Delaware Labor Force by Sector working anywhere (onthemap.census.gov)	% and # of people that are employed in this industry sector IN the city (2011 County Business Patterns)	Difference in our labor force compared to the number of jobs available in the city of Delaware	Of those finding work elsewhere, ranked industries where we have opportunities to have residents live and work in the city.
Forestry, fishing, hunting, and agriculture support	.31% / 55	.02% / 3	52 finding work elsewhere	10
Mining, quarrying, and oil and gas extraction	.07% / 13	.09% / 15	About the same	
Utilities	.68% / 120	.72% / 124	About the same	
Construction	3.23% / 567	2.33% / 403	164 finding work elsewhere	7
Manufacturing	10.19% / 1,787	17.67% / 3050	Importing 1263 employees	
Wholesale trade	5.44% / 954	1.65% / 285	669 finding work elsewhere	3
Retail trade	13.69% / 2,402	10.78% / 1861	541 finding work elsewhere	4
Transportation and warehousing	4.57% / 802	11.61% / 2004	Importing 1202 employees	
Information	2.23% / 391	.43% / 75	316 finding work elsewhere	5
Finance and Insurance	6.04% / 1,059	1.55% / 268	791 finding work elsewhere	2
Real Estate and rental leasing	1.27% / 222	.64% / 111	111 finding work elsewhere	8
Professional, scientific, and technical services	8.31% / 1,457	2.28% / 393	1,064 finding work elsewhere	1
Management of companies and enterprises	2.33% / 408	2.58% / 445	Importing 37 employees	
Administrative and support and waste management and remediation services	6.86 / 1,203	9.29% / 1604	Importing 401 employees	
Educational services	9.16% / 1,607	7.65% / 1327	280 finding work elsewhere	6
Health care and social assistance	13.40% / 2,351	18.49% / 3192	Importing 841 employees	
Arts, entertainment, recreation	1.37% / 240	.77% / 133	107 finding work elsewhere	9
Accommodation and food services	8.04% / 1,410	8.14% / 1405	About the same	
Other services (except public administration)	2.81% / 493	3.25% / 561	Importing 68 employees	

Where are our residents going for work?

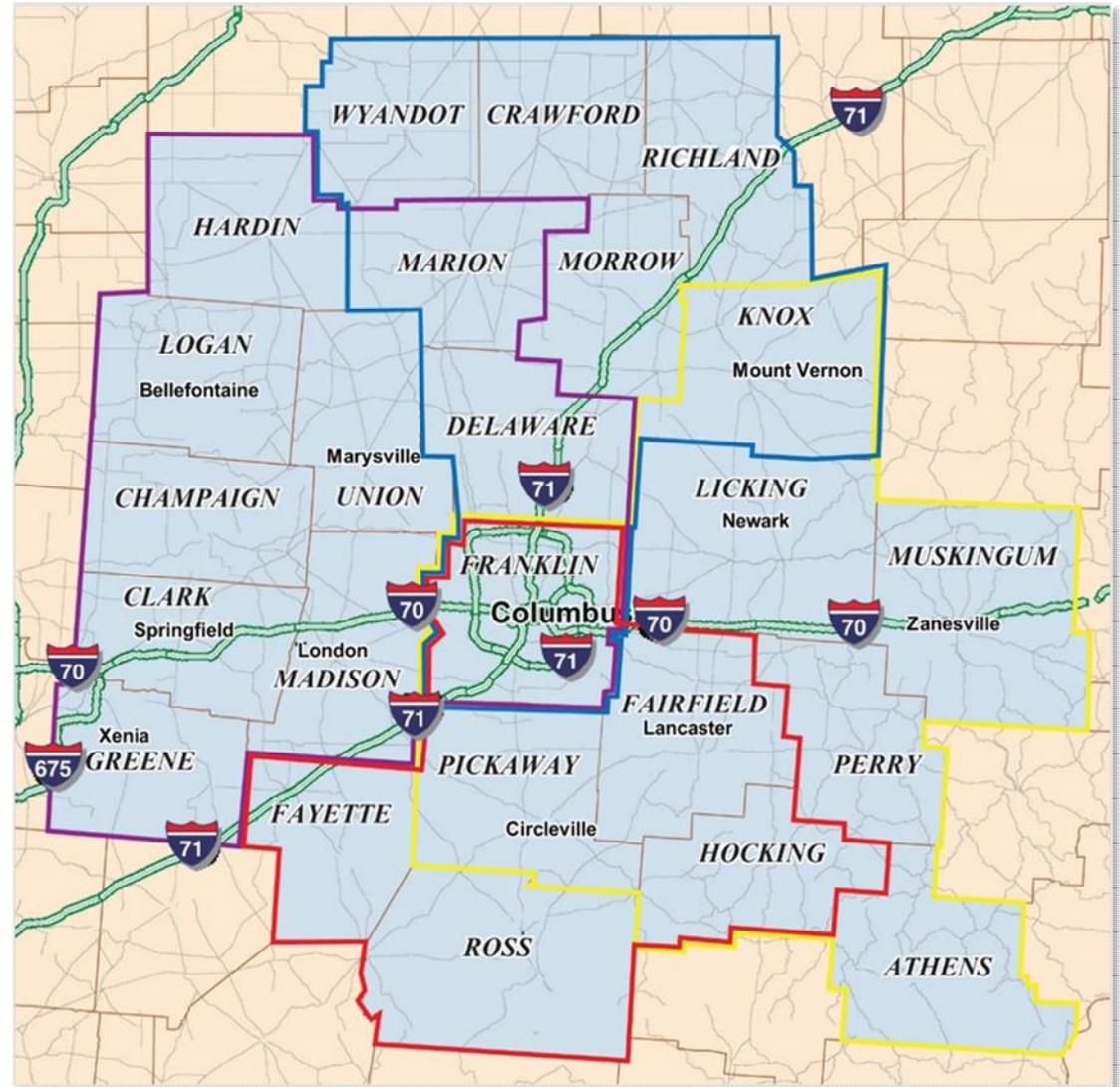
Job Counts by Counties Where Workers are Employed - Primary Jobs (City of Delaware Labor Force)		
	Count	Share
All counties (our total labor force)	18,447	100%
Franklin County, OH	6,517	33.4%
Delaware County, OH	5,243	28.4%
Cuyahoga County, OH	938	5.1%
Hamilton County, OH	782	4.2%
Union County, OH	618	3.4%
Montgomery County, OH	371	2.0%
Summit County, OH	331	1.8%
Lucas County, OH	246	1.3%
Butler County, OH	236	1.3%
Marion County, OH	225	1.2%
All Other Locations	2,940	17.9%

Source: <http://onthemap.ces.census.gov/>

Labor Shed Identification*

Labor sheds were identified and drawn using a combination of quantitative and qualitative data from individual surveys, employer interviews and internal databases. SSG identified the following five labor sheds, all of which contain Franklin County.

- Franklin (represented by the light blue counties)
- Marion-Logan-Union
- Morrow-Marion-Delaware-Knox
- Licking-Fairfield
- Pickaway



* from Columbus2020's 2013 Columbus Regional Workforce Analysis by Site Selection Group

Summary of SWOT

The City of Delaware's Strengths, Weaknesses, Opportunities and Threats have been summarized based on interviews and survey analysis. Strengths will be leveraged in the Goals, Strategies, Objectives and Tactics Section, while weaknesses will be addressed to be mitigated when possible. By addressing both, opportunities will become realities and threats will be combatted.

↑ STRENGTHS (ASSETS)

- Strong partnerships with businesses.
- Great customer service from city departments.
- Attractive streetscaping and park-like industrial parks.
- Positively impactful incentive programs.
- Proximity to Columbus.
- Proximity to many other large manufacturers (potential suppliers and customers).
- Abundance of high paying tech jobs within close driving distance has drawn a significant tech workforce to live in the city.
- Top performing school districts.
- Great location close to amenities and jobs to attract quality workforce.
- Small town feel.
- High quality and convenient municipal airport with growing capacities.
- Good mix of businesses with many being local start-ups.
- Community continues to rapidly grow.
- City maintains a high standard of living. Good quality of life attributes (Parks, Recreation, Churches, Healthcare, Low Crime)
- Proximity to OWU, CSCC, Franklin University, OSU and other post-secondary institutions.
- Supportive financial institutions.
- High education attainment with labor force providing high quality white collar workforce.
- Diverse housing options.
- Strong existing industrial park with diverse companies.
- Better than state and U.S. local and regional economy.
- Regional and state economic development partnerships with JobsOhio, Columbus2020, ECDI, SBDC, etc.
- Water and wastewater capacity.
- Rail network with two CSX rail lines.
- Strong and attractive downtown and civic core.
- Strong culture and arts programs, events and partners.
- Fiber optic network
- Strong comprehensive plan
- Internal design capabilities (Planning, Engineering and Utilities).
- Improving plans and permitting process.
- Part of growing county with strong economy.
- Close to tourism points of interest (Columbus Zoo, Alum Creek, etc.)
- Available greenfield properties.
- Economic Development programs and staff.
- Culture of entrepreneurialism.
- 1.6 million labor force within a 30 mile driving radius.

Summary of SWOT (continued)

↓ WEAKNESSES

- Lack of training pipeline for quality employees.
- Having to recruit quality employees from a great distance because employees are getting harder to find in the city especially engineers, physicians, CPAs, minority workers, factory workers, and office support workers.
- Difficult to get semis from industrial park to I71 in an efficient and safe manner.
- Lack of East/West highway that does not go through downtown.
- Need for two-lane state and U.S. highway improvements such as turn lanes to increase efficiency and safety.
- Perceived issue with amount of downtown parking.
- Perceived business unfriendly and “silly” regulations.
- Challenging fee structures for development (especially capacity and impact fees).
- Lack of quality lodging for business travelers and customers.
- Decreasing inventory of quality industrial sites. Existing industrial park nearly full.
- Lack of available buildings for new or expanding businesses.
- Lack of pad ready sites (too many greenfield sites).
- High property values/high taxes.
- Zoning perceived to be opposed to small businesses.
- Perceived higher than avg. labor rates.
- Perceived lack of attractions to draw people to city.
- Perceived lack of assistance to small businesses outside of downtown.
- Difficult to attract customers off US23 and I71.
- High truck traffic on downtown streets.
- High water and sewer capacity fees.
- High water and sewer rates.
- Lack of assistance in navigating requirements for new small businesses.
- Underutilizing OWU.
- Lack of developer owned industrial park (creates lack of private investment)
- Lack of capital resources and access.
- City is averse to taking risks.
- City leaders’ lack of understanding that incentives are necessary due to high pre-recession success. However, there has been a long time period since last industrial project win (2008).
- Lack of understanding of city’s workforce employment needs and possible shift in target industries.
- Perceived by state and region as wealthy.
- Lack of small business development efforts and resources.
- Poor Economic Development website and marketing/communication efforts.
- High recent economic development staff turnover.
- 80% of current labor force working outside of the city due to more being in white collar jobs.

Summary of SWOT (continued)

→ Opportunities

- More recreational services and tourism based companies.
- Attract more technology related companies.
- Attract more business/professional services companies/providers.
- Expand and improve airport services.
- Development of innovative parking solutions.
- Improve William St. to ease traffic congestion.
- Collaborative shop Delaware Campaign.
- Attract more chain stores and restaurants because of population growth and changing demographics.
- More boutique and entrepreneurial R&D and manufacturing businesses.
- Increase support and services for small business and entrepreneurial development.
- Sawmill Parkway extension to provide access to more industrial land while also providing for better access of white collar employees and customers entering the city from Southern Delaware County and Franklin County.
- Future interchange improvements to 36/37 & I71.
- Long-range plans for Veterans Parkway to serve as East/West industrial transportation corridor.
- New City Brand Development.
- Develop and implement City Wayfinding Plan.
- Strengthen relationships with political allies.
- Strengthen relationships with utilities.
- Develop relationships with resource providers to supplement and strengthen our utility infrastructure such as Trident Innovative Solutions.
- Continue relationship development of regional and state economic development partnerships.
- Develop and implement Economic Development Incentive Policy.
- Current local, state and federal political emphasis on economic development.
- Continue development of relationships with educational/training partners to bridge gap between company needs and provided programs.
- Ohio Machine's impact on local economy.
- Façade Improvement Program and Revolving Loan Fund programs provide strong resources for continued downtown revitalization.
- New skillsets with economic development staff/team.
- Entrepreneurial Center collaborative partner provided resources for small business and entrepreneurial development.
- Develop technology, retail, manufacturing, food incubator.
- Increased entrepreneurial resources by OSU.
- Strong support organizations such as the Chamber of Commerce and Mainstreet Delaware.
- Strong and growing Business Retention and Expansion program.

Summary of SWOT (continued)

← Threats

- Increased competition and aggressive incentives by other communities in the region, state and world.
- Potential loss of communication with external partners.
- Potential lack of funding for necessary infrastructure/thoroughfare improvements.
- Lack of internal and community support and understanding of incentives and that 100% of nothing is still nothing, but 50% of something is still something.
- Lack of internal understanding that customer service is an attitude and not a department.
- Lack of internal understanding that good processes are sometimes more important than goals.
- Changing political climate.
- Potential “poaching” by other communities.
- Civic complacency.
- Landowners unrealistic perception of land values.
- Potential for ignoring our changing labor force demographics and their resulting employment needs.
- Pending global labor crisis/shortage.
- Rising energy costs.
- Potential for continued lack of concentration on small business and entrepreneurial development.

Economic Development Team Mission Statement

The City of Delaware will proactively use a responsible return on investment (ROI) based approach to sustainable community wealth generation that is responsive to the needs of our community, its residents, the current and future labor force, and businesses.

Target Industries

Utilizing the market analysis information and SWOT analyses, the following target industries fulfill the needs of our City's current and future labor force, while also providing jobs to the region and generating revenues to the city in a sustainable manner while having a low impact on the environment and our infrastructure. These industries utilize our strengths while addressing many of our weaknesses that cannot be overcome quickly or easily.

All targets include entrepreneurs for that given sector. A main focus of this economic development plan will be to cultivate the city's previous and existing success as a place for entrepreneurs to start and/or grow their companies.

Primary Industry Targets (Serve Immediate and Future City Labor Force Needs by Looking at Gaps on Pages 7 & 8)

Boutique Manufacturers — Innovating while using efficient and high tech means of producing products, these manufacturers are entrepreneurial and typically have their own R&D and testing facilities on site. Many are new startups.

"Boutique manufacturing is a method used for the custom production of certain products in limited quantities by hand or with a restricted level of automation. Products produced this way often include ceramics, furniture, amplifiers, yachts, boats, leather goods or watches and jewelry among others. In industrial countries, boutique manufacturing is being selected generally for high class goods in upper price levels and only for single products or small batches." - Wikipedia

The smaller manufacturers with 10 to 75 employees will utilize much more highly technically skilled labor than a traditional mass production manufacturer. This sector includes alternative energy production.

(examples include Sky Climber, V&P Hydraulics, Engineered Materials Systems as well as companies producing customized circuit boards, craft beers, bourbons, certain high end aircraft, hand-built high end automobiles, jewelry, etc.)

The City of Delaware will continue to attract and develop traditional manufacturing firms that are environmentally friendly, conducive to our current and future infrastructure, and are effective in providing the city's resident labor force and the regional labor force with good paying jobs. These companies must provide good return on investment (ROI) and be sustainable.

Research & Development (R&D) — "In one model, the primary function of an R&D group is to develop new products; in the other model, the primary function of an R&D group is to discover and create new knowledge

Target Industries (continued)

about scientific and technological topics for the purpose of uncovering and enabling development of valuable new products, processes, and services. Under both models, R&D differs from the vast majority of a company's activities which are intended to yield nearly immediate profit or immediate improvements in operations and involve little uncertainty as to the return on investment (ROI). The first model of R&D is generally staffed by engineers while the second model may be staffed with industrial scientists.” - Wikipedia

Some R&D facilities may be a division of a company and others are third party or industry R&D centers that conduct research, development and testing for other companies. This sector includes alternative energy development and research.

(examples include - DesignWorks (automotive design firm in California), Johnson Controls (automotive electrical and control design firm), MITRE (aviation research and design organization), EcoLab (food and beverage R&D), i-VERSA (software R&D firm))

Other Professional, Scientific and Technical Services —

Approximately 1,064 people or 5.8% of our current labor force leave the City of Delaware for jobs in this sector each day. The following are target subsets of this industry sector:

- IT Services - Firms working to provide IT support functions to other industries and companies within those industries.
- Architecture and Engineering Firms - Firms working to provide building, environmental and infrastructure design, research and support. (examples include - Assurance Technical Services, CT Consultants, Design Tek Architecture, Gardner Architects, etc.)
- Law Firms - Firms providing legal services and research to companies, organizations and individuals.
- Health Care and Medical Providers - Hospitals and other medical facilities and companies providing health care services to individuals.
- Creative Services - Graphic Designers, Web Designers, Interior Designer, etc. Firms providing creative design and development to companies, organizations and individuals. (examples -- JonTaar Creative Studios, Atomic Advertising, Holony Me-

dia, Beaumont Interiors, Inspired Elegance Decorating, etc.)

- Marketing Firms - Firms providing business marketing services to companies, organizations and individuals. (examples -- JonTaar Creative Studios, Atomic Advertising, etc.)

Finance and Insurance Companies — Approximately 791 people or 4.3% of our current labor force are commuting for positions in these industries. The following are target subsets of this industry sector:

- Banks
- Financial Firms, Investors, Advisors and Planners
- Insurance Agencies, Agents, Brokers, Providers

Wholesale Trade — “The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.

The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable non-consumer goods, and (c) raw and intermediate materials and supplies used in production.

Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic. Wholesalers do not normally use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising that may include Internet and other electronic means. Follow-up orders are either vendor-initiated or client-initiated, generally based on previous sales, and typically exhibit strong ties between sellers and buyers. In fact, transactions are often conducted between wholesalers and clients that have long-standing business relationships.” - *North American Industry Classification System*

Target Industries (continued)

(examples -- Consolidated Electrical Distributors, ProBuild, etc.)

Information — Software and Hardware Development Firms and Services - Firms working to develop software and technical business solutions including the storage and transport of data. Approx. 316 people or 1.7% of the City's current labor force leave the city for this type of work each day.

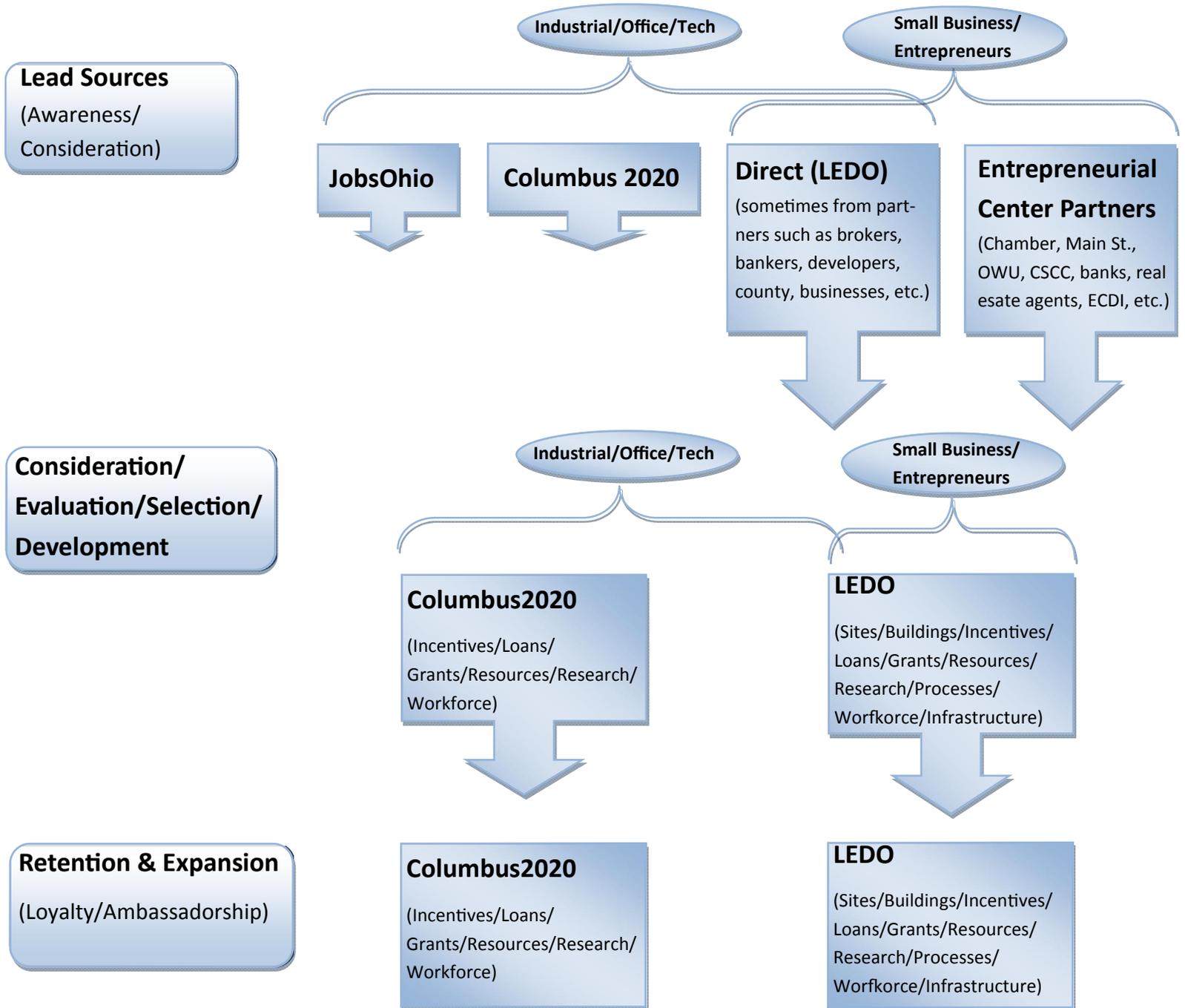
(examples include -- Mediu, Updox, Jifiti, Health Care Dataworks, Znode, nChannel, Manta, etc.)

Secondary Industry Targets (Serve Less Immediate City Labor Force Needs by Looking at Gaps on Page 7 & 8 and The Attraction of Labor from Surrounding Communities)

Retailers -- Approximately 541 people or 2.9% of the City of Delaware current labor force leaves the City for work each day. Retail is considered soft infrastructure to make our community more attractive to our primary industry targets and to potential employees of these primary industries who may want to move here.

The Arts, Entertainment, and Recreation -- Approximately 133 or 0.7% of the City's current labor force is leaving the city for work in this industry sector. These are tourism and soft infrastructure that not only improve the City of Delaware's quality of life allowing us to attract primary industry target companies and the potential employees of these companies who want to move to the City, but they also provide tourism investment in the community. Recent studies indicate that for every \$1 invested in tourism, a community realizes a \$12 return.

The Business Attraction Process



Economic Development Goals, Strategies, Objectives and Tactics

The City of Delaware’s Economic Development team will work with internal and external stakeholders to take advantage of our strengths and address and improve upon our weaknesses in order to achieve opportunities and attract, retain, create and expand businesses in our target industries while also preventing or decreasing the negative impacts of our threats.

This section will be divided by the multiple components of economic development including marketing (attraction and entrepreneurialism), workforce development and cultivation (attraction, retention, expansion and entrepreneurialism), infrastructure and site preparedness (attraction, retention, expansion and entrepreneurialism), incentives and process management (attraction, retention, expansion and entrepreneurialism), business retention and expansion (retention, expansion), and economic gardening and Downtown Delaware (attraction, retention, expansion, entrepreneurialism). Each component will have goals, objectives, strategies and tactics that are tied to the SWOT analysis and target audiences. The sections are not listed in order of importance or priority. However, the impending workforce crisis is creating a new paradigm where Workforce Development is the most important thing a community can do. This also is a living document and things may be added or subtracted at any time as the landscape changes.

- Goals = the broad outcomes
- Strategies = the approaches we will take
- Objectives = the measurable steps to achieve the strategies
- Tactics = the tools we will use

MARKETING—Marketing is perhaps the single most important function of economic development, but a function on which many communities spend little effort or dollars. Knowing your community and its assets is important, but does little good unless you let others know that you know your community and its assets. A community’s website is the nucleus of this effort because it is generally the place most go to conduct their community and site research before you even know you are being considered (80% of site consultants say they researched a community on the Web before ever conducting that community if they ever did contact that community). Most other marketing efforts, whether they be social media or

collateral pieces, are generally geared toward getting people to more information on the website or building awareness. Social media also has become a great opportunity to build relationships that result in future activity.

Marketing can be expensive and resource intensive. A proper marketing program will most likely require additional staffing with the skills necessary to contribute to the continual campaign. We suggest starting with a \$20,000 marketing budget and building that budget each year as we see success.

The City has started to lay the foundations of a marketing campaign with a new brand and a couple of collateral pieces. However, we must take these building blocks and continue to let the world know we are out here and that we are THE PLACE to do business. We will celebrate every victory across all marketing channels simply because everyone wants to be part of what they see as successful. There is no other better way to get on “the radar” of site selectors and company decision makers than a constant public relations effort that celebrates what you are doing and what you have accomplished.

These efforts will work to address the weaknesses stated about perceptions and poor marketing efforts while communicating strengths.

Goal M1: (ATTRACTION) In the next 5 years we would like to increase leads for all target industries by 10% per year over the previous year.

Strategy M1-1: Create strong economic development brand distinguishing the City of Delaware’s strengths using the city’s new brand.

Objective M1-1-1: Develop and implement strong online marketing campaign.

Tactic M1-1-1-1: Develop new City Economic Development, Business and Entrepreneurial Center Website with its own URL. Website must be search engine optimized to appear in first one to two pages of search results for important keywords. Website CMS must have CRM tool.

Tactic M1-1-1-2: Utilize LinkedIn account to communicate strengths, assets, opportunities and

Economic Development Goals, Objectives and Tactics (continued)

available buildings and sites and ultimately direct readers back to the ED website.

Tactic M1-1-1-3: Utilize Twitter account to communicate strengths, assets, opportunities and available buildings and sites and ultimately direct readers back to the ED Website.

Tactic M1-1-1-4: Utilize Facebook account to communicate strengths, assets, opportunities and available buildings and sites and ultimately direct readers back to the ED Website.

Tactic M1-1-1-5: Encourage readers of social media messages to share messages with their network.

Tactic M1-1-1-6: Budget for, develop and implement Google AdWords campaign to market opportunities in the City of Delaware across relevant search results Web sites, online publications, blogs, etc.

Tactic M1-1-1-7: Budget for, develop and implement LinkedIn advertising campaign for relevant LinkedIn users and keywords.

Tactic M1-1-1-8: Budget for, develop and implement plan for careful targeted online publication/Website advertisements such as Business First, Area Development, etc.

Objective M1-1-2: Develop and implement strong economic development public relations campaign celebrating success stories and achievements for the city and its businesses and entrepreneurs.

Tactic M1-1-2-1: Ensure all success stories and achievements are prominently displayed on city's economic development Website.

Tactic M1-1-2-2: Utilize LinkedIn account to communicate success stories and achievements and ultimately direct readers back to the ED Website.

Tactic M1-1-2-3: Utilize Twitter account to communicate success stories and achievements and ultimately direct readers back to the ED Website.

Tactic M1-1-2-4: Utilize Facebook account to communicate success stories and achievements and ultimately direct readers back to the ED Website.

Tactic M1-1-2-5: Send press releases celebrating successes and achievements to all local, regional and online publications as soon as possible or appropriate when a project is completed.

Tactic M1-1-2-6: Community Relations Coordinator will post press releases celebrating successes and achievements as soon as possible or appropriate when a project is completed to the City's main Website.

Tactic M1-1-2-7: Utilizing the new Website's CRM system, collect and utilize contact information to directly communicate successes, opportunities and achievements by email and direct mail (when possible and necessary) to site consultants, real estate professionals, bankers and business owners/executives.

Tactic M1-1-2-8: ED staff should frequently participate in online economic development related forums and groups to develop a sense of expertise and the message that companies that locate in Delaware will have an incredible economic development experience.

Tactic M1-1-2-9: Plan and implement a "tour" of the 1,600 new developable acres that will be available when Sawmill Parkway is extended inviting real estate professionals, bankers and site selectors.

Economic Development Goals, Objectives and Tactics (continued)

Objective M1-1-3: Develop branded collateral materials to be utilized by staff and partners and to be downloaded from various online properties.

Tactic M1-1-3-1: Develop a branded portfolio to hold various other collateral materials.

Tactic M1-1-3-2: Develop branded topical fliers highlighting our strengths, opportunities, assets and companies, and providing easy to follow guidance on our programs, processes and regulations to be inserted in branded portfolio and/or for online downloadable PDFs.

Tactic M1-1-3-3: Send introductory letter to vendors and customers of existing businesses identified through BRE survey process.

Objective M1-1-4: Continue efforts at building strong relationships.

Tactic M1-1-4-1: Continue to build strong relationships with regional partners such as Delaware Area Chamber of Commerce, Main St. Delaware, County Economic Development Office, Columbus2020, JobsOhio, Columbus Chamber, TechColumbus, ECDI, OWU, etc.

Tactic M1-1-4-2: Continue to build strong relationships with site selectors and business decision makers globally.

Tactic M1-1-4-3: Utilize relationships with local business community and results of BRE visits to determine and build relationships with vendors and customers of existing businesses.

Goal M2: (ENTREPRENEURIALISM) In the next 5 years we would like to increase leads for all entrepreneurs/new business start-ups by 10% per year over the previous year.

Strategy M2-1: Communicate the message that the City of Delaware has a long standing history and success and cultivating entrepreneurs. Promote the Entrepreneurial Center.

Objective M2-1-1: Develop and implement strong online marketing campaign.

Tactic M2-1-1-1: Develop new City Economic Development, Business and Entrepreneurial Center Website with its own URL. Website must be search engine optimized to appear in first one to two pages of search results for important keywords. Website CMS must have CRM tool.

Tactic M2-1-1-2: Utilize LinkedIn account to communicate entrepreneurial opportunities, the Entrepreneurial Center and its services, and ultimately direct readers back to the ED Website.

Tactic M2-1-1-3: Utilize Twitter account to communicate entrepreneurial opportunities, the Entrepreneurial Center and its services, and ultimately direct readers back to the ED Website.

Tactic M2-1-1-4: Utilize Facebook account to communicate entrepreneurial opportunities, the Entrepreneurial Center and its services, and ultimately direct readers back to the ED Website.

Tactic M2-1-1-5: Encourage readers of social media messages to share messages with their network.

Tactic M2-1-1-6: When possible, publish articles and whitepapers on different economic development topics on the Website and in social media properties to develop a perception that the City of Delaware and its staff are experts in growing businesses of all sizes.

Objective M2-1-2: Utilize OWU Alumni Relations to communicate entrepreneurial opportunities, and Entrepreneurial Center resources to alumni.

Economic Development Goals, Objectives and Tactics (continued)

Tactic M2-1-2-1: Develop and implement direct mail campaign to alumni for whom OWU does not have email addresses once per year.

Tactic M2-1-2-2: Develop and implement email campaign to alumni for whom OWU does have valid email addresses once per year.

Tactic M2-1-2-3: Utilize CRM tool in new Website CMS to collect contact info for OWU alumni for future direct mail and email campaigns. Communicate successes and new resources to them as they happen.

Objective M2-1-3: Utilize OWU Student Clubs and Advisors to communicate entrepreneurial opportunities to current OWU students.

Tactic M2-1-3-1: Build relationships with academic and club advisors to communicate entrepreneurial opportunities through them to their students.

Tactic M2-1-3-2: Send emails about new resources and success stories to academic and club advisors for them to forward to their students.

Objective M2-1-4: Seek opportunities to build relationships with new and existing entrepreneurs.

Tactic M2-1-4-1: Attend functions at OSU, TechColumbus and incubators to meet entrepreneurs.

Tactic M2-1-4-2: Scan Business First and other traditional and online entrepreneurial publications for information on new and growing entrepreneurs. The economic development staff will make contact with those entrepreneurs.

Tactic M2-1-4-3: Utilize social media, blogs and other online media to communicate and build relationships directly with entrepreneurs.

INFRASTRUCTURE AND SITE PREPAREDNESS—One of our top three problems as is the lack of available and ready sites and buildings. To make sites “pad ready,” we must invest in infrastructure necessary to access sites and make them easily, quickly and cost-effectively developable. With only approximately 260 acres of high quality “pad ready” sites remaining, we are left with very few choices for existing and new companies to evaluate for projects. We also are working with developers to mitigate the weakness of a lack of available industrial or office buildings by suggesting to them the prospect of “virtual spec” building and encouraging them to get back into investing in spec buildings.

Goal I1: (ATTRACTION, RETENTION and EXPANSION) In the next 5 years we would like to work with various City departments and regional groups to develop cost effective infrastructure that will lead to high ROI business investment.

Strategy I1-1: Ensure that the City’s Economic Development staff is “at the table” when any City department is discussing long-range infrastructure plans to allow for economic development to be taken into consideration with any potential infrastructure project.

Objective I1-1-1: Continue to attend Public Services Group meetings on a regular basis.

Tactic I1-1-1-1: Share project information and seek partnership from this team on projects.

Tactic I1-1-1-2: Provide value to this team as they are making decisions that impact existing and future businesses.

Objective I1-1-2: Work to be included in the Strategic Planning meetings to assist in long range infrastructure planning.

Tactic I1-1-2-1: Share project information and seek partnership from this team on projects.

Tactic I1-1-2-2: Provide value to this team as they are making decisions that impact existing and future businesses.

Economic Development Goals, Objectives and Tactics (continued)

Strategy I1-2: Utilize economic development opportunities and projects to assist in the financing of currently needed and future infrastructure

Objective I1-2-1: Continue to build awareness of economic development programs directed at infrastructure development.

Tactic I1-2-1-1: Attend educational/training functions with topics related to infrastructure improvements.

Tactic I1-2-1-2: Watch for case studies related to improving and developing infrastructure to see if any funding programs were utilized.

Tactic I1-2-1-3: Continue to cultivate existing and build new economic development partnerships with entities that may be able to assist with infrastructure improvements and development.

Objective I1-2-2: Leverage economic development projects to provide any available funds for infrastructure improvements and development.

Tactic I1-2-2-1: With each project explore any possibilities for infrastructure funding. Examples include 629 Road Development Grants and ODOT Jobs and Commerce Grants.

Tactic I1-2-2-2: Work with economic development partners and City staff to secure those funds when available.

Goal I2: In the next 5 years work to have a majority of greenfield sites ready for development.

Strategy I2-1: Prepare sites for Ohio or regional site certification and/or other site certifications such as AEP's site certifications.

Objective I2-1-1: Partner with developers to certify sites.

Tactic I2-1-1-1: Educate developers on criteria and advantages of site certification programs.

Tactic I2-1-1-2: Encourage developers to enter into contract on sites that have a high probably of success for site certification.

Tactic I2-1-1-3: Work with developers to find funding sources and programs to complete steps in site certification processes.

Tactic I2-1-1-4: Provide City services and support from City departments when possible to help developer achieve site certification.

Tactic I2-1-1-5: Market certified sites once complete.

Tactic I2-1-1-6: Recruit developer to create a developer owned industrial park instead of having individual property owners.

Objective I2-1-2: The City of Delaware purchases parcel for site certification.

Tactic I2-1-2-1: The City of Delaware utilizes economic development funds to purchase a 10 acre parcel.

Tactic I2-1-2-2: The City of Delaware seeks grant funds and partnerships with organizations to complete components of site certification.

Tactic I2-1-2-3: The City of Delaware markets site as a certified site.

Tactic I2-1-2-4: The City of Delaware utilized site as an economic development incentive selling property either at cost to a project or giving it to a project in lieu of or in addition to other economic development incentives.

Goal I3 - In the next 2 years, address the lack of available buildings that turns away multiple leads each year.

Strategy I3-1: Develop a virtual spec building.

Economic Development Goals, Objectives and Tactics (continued)

Objective I3-1-1: Partner with developers to prepare virtual spec building.

Tactic I2-1-1-1: Recruit and educate developers on virtual spec building concept.

Tactic I2-1-1-2: Encourage developers to enter into contract on sites that have a high probability of success and lower cost for developing a virtual spec building.

Tactic I2-1-1-3: Work with developers to find funding sources and programs to complete steps in virtual spec building development processes.

Tactic I2-1-1-4: Provide City services and support from City departments when possible to help developer move through virtual spec building development process.

Tactic I2-1-1-5: Collaboratively market virtual spec building once complete.

Objective I3-1-2: The City of Delaware purchases parcel for a virtual spec building.

Tactic I2-1-2-1: The City of Delaware utilizes economic development funds to purchase a 10 acre parcel.

Tactic I2-1-2-2: The City of Delaware seeks grant funds and partnerships with organizations to complete components of virtual spec building process such as Phase 1 and/or 2 environmental, archaeological studies, etc..

Tactic I2-1-2-3: The City of Delaware markets virtual spec building as a rapid alternative to an existing building.

Tactic I2-1-2-4: The City of Delaware utilizes site as an economic development incentive selling property either

at cost to a project or giving it to a project in lieu of or in addition to other economic development incentives.

Goal I4: In 5 years, address, correct and/or change perceptions of other identified infrastructure or site readiness weaknesses.

Strategy I4-1: Work with city departments and directors to move address lack of East/West truck route through city/efficient and safe access to I71.

Objective I4-1-1: Work with city departments and directors to continue moving Veteran's Parkway plans forward.

Strategy I4-2: On a project-by-project basis, improve critical industrial and commercial transportation routes.

Objective I4-2-1: Identify and complete transportation infrastructure improvements that are necessary for a project.

Tactic I4-2-1-1: After identifying a project's needs, work with economic development partners to seek funds such as 629 Road Development Grants and ODOT jobs and Commerce Grants to assist in paying for improvements.

Tactic I4-2-1-2: Utilize Tax Increment Financing on new projects when possible to match available grant funds or pay for entire infrastructure improvements.

WORKFORCE DEVELOPMENT AND CULTIVATION—As the paradigm shifts from companies seeking low cost sites, incentives and communities in which to do business cost effectively, to companies following labor pools where they want to live, the idea of developing our existing labor force and attracting quality labor/residents becomes incredibly important. A large majority of our blue collar labor pool comes from the Union Co., Marion Co., Morrow Co. labor shed. At the same time, we are exporting over 80% of our resident labor force for jobs outside of the city many of which are white collar or professional jobs. Therefore, many of our weaknesses can be addressed through work in this area and through community development to continue to be a great place to live with a high quality of life.

Economic Development Goals, Objectives and Tactics (continued)

“As Richard Florida points out, what matters now is quality of place – what’s there; who’s there; and what’s going on. Rather than attracting large companies and creating jobs, the key factor for cities is to attract the quality of employee that forward-thinking companies demand. Often, the talent itself will create new companies and new innovations that will lay the foundation for new global cities.” *thisbigcity.net*

Goal W1: (RETENTION and EXPANSION) Fulfill the needs of current employers for recruiting high quality and trained employees to assist us in retaining and expanding businesses in the city of Delaware.

Strategy W1-1: Prepare current city and regional labor force with appropriate training opportunities.

Objective W1-1-1: Work with regional education/training partners to create relevant workforce development programs.

Tactic W1-1-1-1: Utilize existing information gained from company surveys and interviews to prioritize needed skill sets and programs.

Tactic W1-1-1-2: Conduct ongoing interviews and surveys to continue to stay on top of changing workforce needs.

Tactic W1-1-1-3: Develop a plan of action with the employers and educational/training partners on what, who, when, where and how much for educational/training programs.

Tactic W1-1-1-4: Work with partners to promote and fill programs.

Tactic W1-1-1-5: Work with educational/training partner to have them build an in-house temporary employment service in conjunction with training and education programs to allow employers to temporarily “try out” a new trained employee and hire the “cream of the crop.” This will act as a feeder system to the companies.

Objective W1-1-2: Prepare future labor force for employers’ needs.

Tactic W1-1-2-1: Continue relationships and

communication with employers to stay on top of their needs as they change.

Tactic W1-1-2-2: Work with educational/training partners in city, county and region to develop K-12 and college programs to meet these future workforce needs.

Tactic W1-1-2-3: Develop City of Delaware Intern Database on new Business and Economic Development Website

Tactic W1-1-2-4: Continue to participate in and provide support for the Delaware Area Chamber of Commerce’s Manufacturing Day.

Objective W1-1-3: Continue to ensure positive community development so that the City of Delaware is an attractive place for potential labor to move to and live in or around the city.

Strategy W1-2: With our current employers importing 80% of their needed labor, we must work to assist in getting employees to the City from surrounding communities.

Objective W1-2-1: Work with regional transportation partners and employers to address current and future employee transportation needs.

Goal W2: (ATTRACTION) Be prepared for the needs of future employers for recruiting high quality and trained employees to assist us in attracting businesses in the city of Delaware.

Strategy W2-1: Prepare current city and regional labor force with appropriate training opportunities.

Objective W2-1-1: Work with regional education/training partners to create relevant workforce development programs.

Tactic W2-1-1-1: Utilize existing information gained from company surveys and interviews to prioritize needed skill sets and programs.

Economic Development Goals, Objectives and Tactics (continued)

Tactic W2-1-1-2: Conduct ongoing interviews and surveys to continue to stay on top of changing workforce needs.

Tactic W2-1-1-3: Research, examine and be aware of national labor trends.

Tactic W2-1-1-4: Develop a plan of action with educational/training partners on what, who, when, where and how much for educational/training programs.

Tactic W2-1-1-5: Work with partners to promote and fill programs.

Objective W2-1-2: Prepare future labor force for employers' needs.

Tactic W2-1-2-1: Continue relationships and communication with employers to stay on top workforce trends.

Tactic W2-1-2-2: Work with educational/training partners in city, county and region to develop K-12 and college programs to meet these future workforce needs.

Tactic W2-1-2-3: Develop City of Delaware Intern Database on new Business and Economic Development Website.

Objective W2-1-3: Continue to ensure positive community development so that the City of Delaware is an attractive place for potential labor to move to and live in or around the city.

Objective W2-1-4: Utilize information we have on City's existing labor force to attract companies that can use the education/training/skill sets of our existing labor to retain some of the 80% of employees that leave the city for work each day. This helps to build a more sustainable local economy. Studies have shown that a vast majority of employees make most of their purchases in the community where they work and not necessarily where they live.

Tactic W2-1-4-1: Promote the attributes of our existing

labor force on our new business and economic development Website.

Tactic W2-1-4-2: Prioritize attraction and business development efforts towards our primary industries in this plan.

INCENTIVES AND PROCESSES—Incentives have become a necessary approach for attracting, retaining and expanding businesses. Due to the level of competition and the global use of incentives, they have become an expectation from companies and site consultants rather than a value added proposal that they once were. However, one of the reported weaknesses about the City has been our length of processes. Time is sometimes more important than anything else especially for attraction projects, therefore, we must work as a team to reduce timelines, avoid process confusion and create efficiencies.

Goal IP1: (ATTRACTION, RETENTION and EXPANSION) Expedite process for negotiating and obtaining incentives in the City of Delaware.

Strategy IP1-1: Become more competitive with other communities by creating certainty when a company approaches us or an existing company wants to expand.

Objective IP1-1-1: Shorten incentive process allowing a company to know what incentives terms and processes to expect immediately while shortening the approval process for all incentives to no longer than 60 days.

Tactic IP1-1-1-1: Develop Economic Development Incentive Policy (EDIP) to incorporate all incentive guide lines, formulas and processes in one document. All guide lines and formulas are established to maximize incentives while also achieving maximum return on investment (ROI) for the community.

Tactic IP1-1-1-2: Have EDIP approved by City Council, School Boards and any other partnering legislative bodies so that a company can approach the city with criteria on their project and receive a quick offer letter with

Economic Development Goals, Objectives and Tactics (continued)

definitive incentives. Some incentives may still require City Council approval to allow the City Manager to sign the final agreement.

Tactic IP1-1-1-3: Promote EDIP and quick processes of the City strengthening the business friendly yet economically responsible image of the City.

Tactic IP1-1-1-4: Review EDIP annually to ensure that it continues to achieve positive development and ROI for the community as well as adding or subtracting incentives as state laws change or incentive become available.

Goal IP2: (ATTRACTION, RETENTION and EXPANSION) Have easy to understand, efficient and cost effective city development processes.

Strategy IP2-1: Review and improve processes.

Objective IP2-1-1: Create an easy to understand development guide or set of guides for commercial and industrial development.

Tactic IP2-1-1-1: Continue to serve on the Development Task Force.

Tactic IP2-1-1-2: Advocate for common sense processes, procedures and regulations.

Tactic IP2-1-1-3: “Translate” processes, procedures and regulations into easy to follow guides for owners and developers. Guides will be available on business and economic development Website and as part of the new collateral packet.

Tactic IP2-1-1-4: Create a CSI (Common Sense Initiative) Team similar to the states that reviews feedback from developers and investigates whether or not more common sensical approaches can be taken towards a process, procedure or guideline.

Tactic IP2-1-1-5: Continue to serve as a business concierge or ombudsman to help walk business representative and entrepreneurs through our processes in a timely and efficient manner.

BUSINESS RETENTION AND EXPANSION—Nearly 80% of industrial and office jobs are created through company expansions. Serving as a partner to our businesses in providing solutions and resources is incredibly important to our economic prosperity and becomes an attraction tool as loyal companies become ambassadors to the City.

Goal BRE1: (RETENTION and EXPANSION) Build a sense of partnership and loyalty between the City and current employers of all sizes that will lead to companies staying and expanding in our community.

Strategy BRE1-1: Develop strong relationships with existing companies.

Objective BRE1-1-1: Continue current strong BRE efforts.

Tactic BRE1-1-1-1: Continue to assemble team of volunteers each year to meet with a rotating list of core industry employers and a growing and rotating list of small businesses.

Tactic BRE1-1-1-2: Effectively follow-up on opportunities and issues in a timely manner to provide solutions and resources.

Tactic BRE1-1-1-3: In an anonymous fashion, publicly report on efforts to work with companies to provide solutions and resources.

Tactic BRE1-1-1-4: Involve resource partners such as Columbus2020 and JobsOhio when necessary.

Tactic BRE1-1-1-5: Utilize Executive Pulse to report and keep track of BRE visits and feedback.

Objective BRE1-1-2: Renew business relationship lunches.

Economic Development Goals, Objectives and Tactics (continued)

Tactic BRE1-1-2-1: Alternating each year with the formal BRE visits in Objective BRE 1-1-1, we will alternate core industry business lunches including key City departmental directors who may be of importance to the company and the Mayor. These can be held at restaurants, key departmental centers for tours or at the company's facility for a facility tour.

Objective BRE1-1-3: Conduct first year new business follow-ups.

Tactic BRE1-1-3-1: Schedule a follow-up lunch around the 1-year anniversary date for new target industry employers.

Tactic BRE1-1-3-2: Schedule onsite follow-up meetings around the 1-year anniversary for new small businesses.

Objective BRE1-1-4: Work toward hiring an Economic Development Specialist to assist Economic Development Director.

Objective BRE1-1-5: Maintain high departmental/city profile in the business community by participating in business related groups.

Tactic BRE1-1-5-1: Actively participate in the Delaware Area Chamber of Commerce, its committees, task forces and events.

Tactic BRE1-1-5-2: Actively participate in Main Street Delaware and maintain an active board of directors seat. Participate in its committees, task forces and events.

Tactic BRE1-1-5-3: Attend OWU, Delaware Partnership and other business related meetings regularly when possible.

Goal BRE2: (ATTRACTION, RETENTION and EXPANSION) Allow existing businesses to promote the City of Delaware as a great place to do business.

Strategy BRE2-1: Utilize existing businesses as ambassadors.

Objective BRE2-1-1: Enable business ambassadors to represent us to their customers and vendors to promote doing business in the City of Delaware.

Tactic BRE2-1-1-1: Begin with volunteers of formal BRE interviews and form a "user group" to discuss business opportunities.

Tactic BRE2-1-1-2: Recruit other businesses whom have had successful growth and have a great relationship with the City.

Tactic BRE2-1-1-3: Enable these business ambassadors by providing them with information and collateral materials to share with vendors and customers as they travel and meet with them.

Tactic BRE2-1-1-4: Utilize these ambassadors profiles in marketing vehicles along with quotes of why they have grown in the City of Delaware.

Objective BRE2-1-2: When possible invite business ambassadors to meet with potential new companies.

Objective BRE2-1-3: Celebrate victories with business ambassadors.

Tactics BRE2-1-3-1: To strengthen relationship with ambassadors, invite them to ribbon cuttings, ground breakings and other celebrations when a new project finalizes in the City of Delaware.

Economic Development Goals, Objectives and Tactics (continued)

Goal BRE3: (RETENTION and EXPANSION) Retain and help businesses to grow and prosper in the City of Delaware.

Strategy BRE3-1: Utilize existing programs, incentives, resources, partnerships and process management to be a partner in each business' success.

Objective BRE3-1-1: Reinforce the image that the City of Delaware is business friendly by supporting positive ROI business expansions with incentives and financial programs.

Tactic BRE3-1-1-1: Utilize the Economic Development Incentive Policy to work with businesses on expansions.

Objective BRE3-1-2: Serve as business concierge as businesses expand in the community.

Tactic BRE3-1-1-2: Walk businesses through processes and provide necessary resources as they expand in the community.

ECONOMIC GARDENING, DOWNTOWN DELAWARE & INFILL —

Nationally, over 65% of overall jobs are created by small businesses. Small businesses serve as the foundation of our economy. Therefore, we will continue to work toward helping to create and grow small businesses in the City of Delaware. These efforts will address many weaknesses including a perceived lack of resources and support to small businesses. It also will allow us to take advantage of many of the opportunities listed in the SWOT analysis.

Goal EG1 (ATTRACTION, RETENTION and EXPANSION): Develop the perception of the City of Delaware as the top supportive community for entrepreneurs and small businesses in Central Ohio.

Strategy EG1-1: Provide resources and support for residents and non-residents to start and grow small businesses in the City of Delaware.

Objective EG1-1-1: Continue to develop the City of Delaware's Entrepreneurial Center

Tactic EG1-1-1-1: Continue to recruit and build relationships with organizational small business resource providers to add to the "menu" of resources.

Tactic EG1-1-1-2: Promote services and resources through the new Business and Economic Development Website's virtual Entrepreneurial Center.

Tactic EG1-1-1-1: Allow for entrepreneurial discussions and questions through a forum system on the new Business and Economic Development Website's Virtual Entrepreneurial Center.

Tactic EG1-1-1-3: Continue to recruit professional experts and retirees to provide counseling services to entrepreneurs and small businesses on an appointment basis.

Tactic EG1-1-1-4: Provide staff business counseling in staff expertise areas when possible or applicable.

Tactic EG1-1-1-5: Work with OWU to develop a "team" of students to provide low cost business services such as market studies under the guidance of the Economic Development Director.

Tactic EG1-1-1-6: Work with City's management team to secure and renovate office space in a city owned building for a physical location for the Entrepreneurial Center. The also would serve as the main point of physical contact for all businesses and the Economic Development team.

Tactic EG1-1-1-7: Work with Delaware City Schools to create an entrepreneur's club for high school students.

Tactic EG1-1-1-8: Work to organize an angel's fund or investors group for small businesses.

Economic Development Goals, Objectives and Tactics (continued)

Objective EG1-1-2: Partner with private entity to develop, open, service and maintain a technology incubator and/or accelerator.

Tactic EG1-1-2-1: Continue to work on and finalize Incubator Implementation Plan.

Tactic EG1-1-2-2: Follow Incubator Implementation Plan.

Objective EG1-1-3: Work with DACC or other partner to develop a robotics and manufacturing training facility combined with a manufacturing incubator.

Tactic EG1-1-3-1: Either utilize and reframe technology incubator implementation plan or develop a new implementation plan. Either can be based of RAMTEC in Marion.

Tactic EG1-1-3-2: Develop partnerships for carrying project forward.

Tactic EG1-1-3-3: Implement plan.

Objective EG1-1-4: Work with Main Street Delaware to develop a Retail Incubator in Downtown Delaware.

Tactic EG1-1-4-1: Either utilize and reframe technology incubator implementation plan or develop a new implementation plan.

Tactic EG1-1-4-2: Develop partnerships for carrying project forward.

Tactic EG1-1-4-3: Implement plan.

Objective EG1-1-5: Seek partner and develop food production incubator/commercial kitchen.

Tactic EG1-1-3-1: Either utilize and reframe technology incubator implementation plan or develop a new implementation plan. Base off of AceNet.

Tactic EG1-1-3-2: Work with MORPC and ECDI whom have worked on commercial kitchens.

Tactic EG1-1-3-3: Implement plan.

Objective EG1-1-6: Work with Main Street Delaware on Business Makeover Project.

Tactic EG1-1-6-1: Utilize resources and partners from Entrepreneurial Center to help build a makeover team.

Tactic EG1-1-6-2: Work with Main Street Delaware to select one Downtown business per year for makeover.

Tactic EG1-1-6-3: During and after makeover, heavily promote project.

Objective EG1-1-7: Continue to observe and improve parking for our businesses especially those in downtown.

Tactic EG1-1-7-1: Continue to review the 2007 Parking Study and Plan and look for ways to implement tactics which we have not implemented yet.

Tactic EG1-1-7-2: Continue to converse with businesses about parking to gather their thoughts, observations, ideas and suggestions.

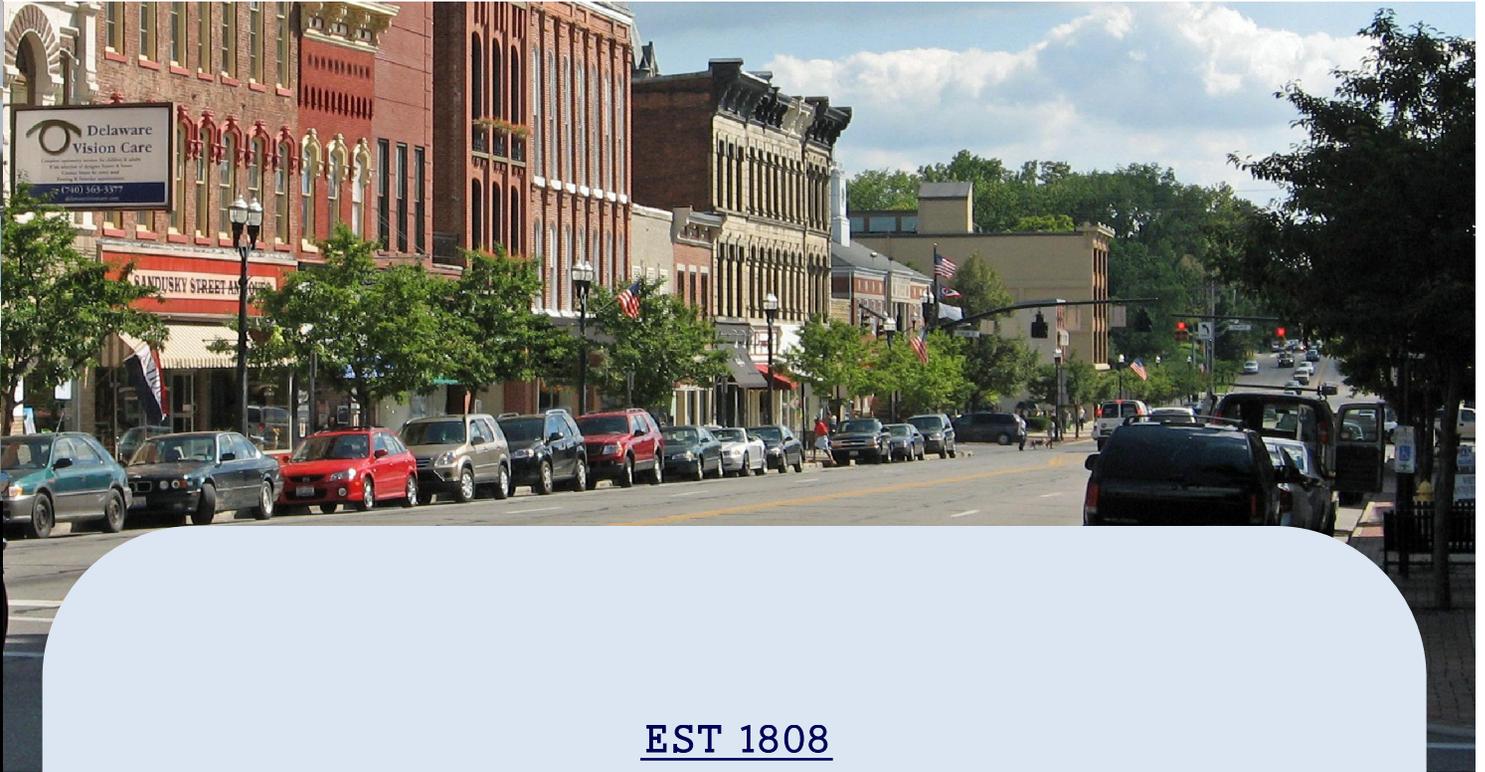
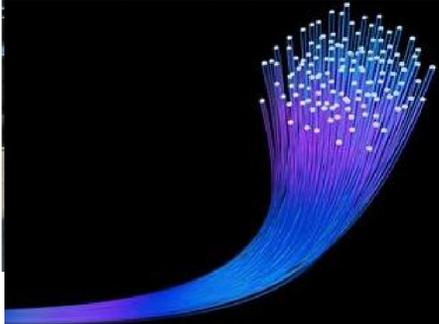
Measurement and Effectiveness

Evaluating economic development programs has been a subject of much debate. Criteria that may be great for one community may not necessarily be as good for another community or even another component of the same community.

This is especially true if we look back at the mission and goals of this document. Ultimately we are working to generate wealth for all and increased community prosperity. Much of this is subjective rather than objective, however, for the sake of this plan, we will look at all of the typical evaluation factors to come up with an overall picture of our success rate.

With that being said, the following are facets of community wealth and prosperity and an attempt at quantifying each for evaluation sake:

- **Payroll and Income Tax**—This is the single most impactful component of community prosperity. As residents earn more, the city “earns” more through payroll tax and can improve or increase services. Residents have higher discretionary income and can spend more with local vendors and organizations, thus, creating more economic prosperity for those entities as well. This component can be measured through an increase in payrolls and income taxes over previous years. It also can be measured by calculating a higher rate of investment on incentives and programs utilized to secure companies in a given year.
- **Jobs Created**—This is a secondary component of community prosperity as we are seeking higher paying jobs rather than just a higher volume of jobs. We will still look at the total number of jobs created year over year, but will be looking at the effectiveness of securing jobs with a higher rate of return for the community.
- **Building and Site Inventory**—This component can be measured by the rate of occupancy of our buildings and developable sites. We will work to achieve a higher rate of occupancy for each year over year.
- **Job Retention and Expansion** —Are we keeping the employers that we already have and being a partner in the growth of those businesses to allow for higher payrolls, etc.?
- **Health and Vitality of our Existing Businesses**—Are our businesses, especially our small businesses, doing well and growing? This can be monitored by watching closures and examining reasons why a business closed.
- **Other Economic Metrics**—We will review our progress with increasing average pay and lowering regional unemployment each year along with other economic metrics to make sure that our efforts are positively impactful.



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City of Delaware Economic Development Incentive Policy

Table of Contents

- Partner Organizations – Page 2
- Purpose – Page 2
- Definitions – Page 3
- The Need for Incentive Programs – Page 3
- Adoption of Policy – Pages 3 and 4
- Community Reinvestment Area or Enterprise Zone Agreements – Pages 4 – 8
- School Pilot Payments – Pages 9 – 10
- Tax Increment Financing – Pages 10 – 11
- Municipal Job Creation Income Tax Based Performance Grant – Pages 12 – 14
- APPENDIX A – City of Delaware Incentives Application – Pages 15 – 19
- APPENDIX B – CRA ROI Formula Examples – Pages 20-23

City of Delaware Economic Development Incentive Policy

I. PARTNER ORGANIZATIONS

- a. City of Delaware
- b. Delaware City School District
- c. Olentangy School District
- d. Delaware Area Career Center

II. PURPOSE

The partner organizations have worked together to develop this Economic Development Incentive Policy (EDIP) to work alongside the city's most recent economic development plan to encourage the types of business development in the city limits that will lead to the greater generation of opportunities and wealth for all. This plan essentially streamlines incentive negotiations by providing the Economic Development Director with guidelines and formulas to allow the Director to communicate the incentives that a potential employer can expect in a timely and more certain fashion. It also ensures that our incentives take into consideration the potential company's commitments on employees, payroll, investment, etc. to focus on a return on investment (ROI) oriented approach to incentives. It will allow us to partner with companies with a good ROI for the city and schools, while also allowing for the incentive to more closely match the impact of the applying company.

The EDIP is a set of accepted guidelines but it should be understood that flexibility will be needed for projects that have a much greater positive indirect impact on the community. Those projects may require more incentive assistance than what would be indicated by the EDIP formulas and will require a negotiation team comprised of the City Manager, City Finance Director, County Auditor, County Economic Development Director, and the school Superintendents from impacted schools to determine indirect impact and levels/terms of incentives to be offered. The EDIP also does not prevent us from developing customized incentive programs when allowed by law on a project by project basis. These customized programs would need to be vetted by the incentive negotiation team and accepted by the appropriate legislative bodies. They are not part of this EDIP's pre accepted guidelines and formulas.

In a similar fashion, the Economic Development Director, City Manager and impacted School Superintendents may come to the conclusion that a prospective company does not have an overall healthy and positive impact on the community. Therefore, they may decide that the guidelines in this EDIP do not apply and deny extending an offer of incentives to a specific company. This is especially true of the company falls outside of the boundaries of the defined target industries in the most recently accepted economic development plan.

The EDIP is an agreement between the partnering organizations listed above to allow the Economic Development Director, City Manager and impacted School Superintendent to represent them using the guidelines and formulas in the policy when negotiating incentives. Incentive package offer letters will be the end result of these formulas and guidelines. They will be issued from the Economic Development Director and City Manager in a timely fashion and copies will confidentially be issued to the stakeholders for each project including the school superintendent, etc. as a courtesy. However, the legislative action of the school boards and city council in accepting this EDIP commits that

City of Delaware Economic Development Incentive Policy

authority to waiving statutory review and voting periods if allowed by the ORC. Examples of this will be in the process description for each incentive in the EDIP.

For most incentive programs, City Council will still need to legislatively authorize the City Manager's signature on the resulting agreement between the city and company. However, by accepting the EDIP, City Council has indicated that they agree with offering incentives to companies in the manner allocated in this EDIP.

III. DEFINITIONS

For the purposes of this agreement, the following terms shall be defined as follows:

- a. "Business" shall mean a private company. "Business" and "Company" are used interchangeably throughout this document.
- b. "Claw-back" shall mean a provision in an incentive that requires a Business to pay back to the appropriate tax or fee collecting agency the amount of the incentive and/or a penalty amount if the business does not comply with the terms and conditions of an incentive agreement.
- c. "Developer" shall mean a person or company which is developing a property that will involve private investment or job creation. The Business and Developer may from time to time be the same, or a related entity.
- d. "Development" shall mean the proposed job creation, job retention, or private investment made by a Business or Developer. Development shall also mean a "project."
- e. "Economic Development Director" shall mean the city's staff person responsible for economic development activities for the city.
- f. "Parties" or "Partners" or "Participating Organizations" shall mean the Business and/or Developer and those organizations or jurisdictions which enter in the EDIP agreement such as the City and school districts.
- g. "Project" shall mean the proposed job creation, job retention, or private investment made by a Business or Developer. Project shall also mean "Development."

IV. THE NEED FOR INCENTIVE PROGRAMS

"Mr. Edgar said he had called for a truce, concerned that the practice (of incentives) was unfair to companies that did not receive incentives. But many states would not sign on, he said, particularly those in the South, where businesses were moving."

"If you've got some states doing it, it's hard for the others not to do it," Mr. Edgar said. "It's like unilaterally disarming." – *New York Times, December 2012*

All forms of government in the United States and globally offer incentives of some sort to attract companies to their communities. They do this because businesses are taxed at a higher rate than residential properties, invest millions of dollars in their facilities, retain and create jobs, provide payroll for the residents, and contribute millions of dollars to local charities and community service organizations. Generally, the positive economic impact of a new business in a community far outweighs any abated taxes, etc. that the company is given. Even taking the positive economic impact after incentives, an incentive is a shorter term proposition spanning generally not more than 15 years. Therefore, the tax benefit of that business is basically like deferred compensation for the community, schools and agencies. They generally never lose anything with incentives because the incentives only abate taxes and fees that wouldn't be there if the business had not arrived. Even after

City of Delaware Economic Development Incentive Policy

the incentives are active, the communities, schools and agencies still receive tax revenues on the properties, etc. as they were before the company came. We are not allowed by law to abate those.

However, with tools such as this EDIP, the City and its partners can more effectively and consistently utilize incentives to attract projects that may have a short or long term ROI on them. By agreeing to this EDIP, we agree to be responsible with our incentives.

V. ADOPTION OF POLICY:

Being in agreement regarding the need to adopt this EDIP, the parties approving this document hereby agree as follows:

- a. **Economic Development Representatives:** Parties agree that the city's Economic Development staff, City Manager and School Superintendent(s) shall be the Economic Development representatives for the City of Delaware and its partners and shall be responsible for following the Economic Development Plan, EDIP and general economic development policies and programs.
- b. **Key Factors to be Considered:** When an incentive package is contemplated for a Business that is locating or expanding in the City of Delaware, the following key factors will be considered and factored into the EDIP:
 - i. The Business should be in a target industry from the most recently accepted Economic Development Plan for the city or a Business or Project that is of high positive economic impact while also not negatively impacting our infrastructure in such a way that it would prevent future growth or high quality services to the city's residents and businesses. The high positive economic impact also should not outweigh environmental sustainability and health as well as the health and well-being of our residents,;
 - ii. The incentive package should be competitive with those packages offered by other communities in competing locations whether they be locally, in other parts of Ohio, other states, or other countries;
 - iii. The package should be structured by using the guidelines and formulas in the EDIP so that projects which generate high ROI should receive a proportionally more favorable set of incentives;
 - iv. Some flexibility should be built into the incentive package(s) offered in order to adapt to the particular needs of different Developers or Businesses in keeping with the adage that "once you've seen one deal, you've seen one deal;"
 - v. Based on the guidelines and formulas in the EDIP, incentives are performance based so that businesses deliver the jobs, payroll, investment and general high positive economic impact and ROI promised;
 - vi. Claw-back provisions should always be part of any direct financial incentive or loan programs;
 - vii. The incentive package(s) offered must be demonstrably economically and financially viable based on the formulas and guidelines provided in this EDIP; and,
 - viii. A Company must not have any fines, fees or taxes past due or outstanding in the City of Delaware or the State of Ohio in order to qualify for city incentives.
- c. **Types of Incentives to Be Considered Along with their Guidelines, Formulas and Processes**

City of Delaware Economic Development Incentive Policy

Community Reinvestment Area (CRA) or Enterprise Zone Property Tax Abatements

In accordance with all policies and structure set forth in the ORC 3735.65, 3735.66, 3735.67, 3735.671, 3735.672, 3735.673, 3735.68, 3735.69, 3735.70, 5709.82, 5709.83, 5709.85, and all other sections of chapter 5709 the City of Delaware may offer a property tax incentives to a project on the property improvements made to the parcel(s) within a CRA or Enterprise Zone area using the following ROI formula and guidelines. Retail or restaurant projects abatements are limited to the Downtown Historic Districts. Industrial, manufacturing, office, retail and restaurant projects may not exceed 15 years per ORC for CRAs or 10 years for EZs (non-industrial projects are not eligible for EZ abatements.). CRA or Enterprise Zone agreement will be suggested by the following formulas:

Formula 1 – City Return On Investment (ROI):

((Projected Income Tax from New (not retained unless it is shown that a company will leave without the abatement on an expansion/retention project) Payroll for Entire Term of Projected Abatement X (multiplied by) Most recent IMPLAN multiplier for industrial or commercial) – (minus) any negotiation School Compensation Agreements to be paid by the City
MINUS

Projected Total Taxes Abated for Entire Term of Projected Abatement – (subtracted by) Total of School Pilot Payments if Negotiated

DIVIDED BY

Projected Total Taxes Abated for Entire Term of Projected Abatement – (subtracted by) Total of School Pilot Payments if Negotiated

AND

Formula 2 – School District(s) Return On Investment (ROI)(This is actually the percentage of revenues the schools will receive in comparison to if the project had not been abated while also taking into account the amount the schools would have continued to receive if the project had never happened.):

The total sum of all negotiated School Pilot Payment Agreements, School Compensation Agreements to be Paid by the City, and/or unabated taxes including the taxes to be paid on the land with any increases on such due to changes in zoning or use

DIVIDED BY

City of Delaware Economic Development Incentive Policy

The total sum of taxes paid on the project with no abatement – (minus) the taxes currently paid on the property or that would continue to be paid on the property if the project did not happen

Guidelines:

- The City of Delaware reserves the right to extend or reject CRA or Enterprise Zone abatements to any company in or seeking to be in a current CRA or Enterprise Zone area.
- Projected taxes abated to be used in this EDIP's formula will be calculated using the above CRA ROI Calculators.
- Company needs will be requested during the CRA or Enterprise Zone application process. The application already has fields for requested percentage and term of requested abatement, but also will include a request for justification for the abatement.
- The CRA formula inputs (percentage and term of abatement) will be adjusted until it reaches an abatement value that meets the needs of the company while also maintaining a positive ROI for the community. This result will translate into a percentage and term of abatement. Only projects with 25% or greater City of Delaware ROI and 30% or greater School District(s) ROI will be eligible for 100% for 15 year abatements (10-year maximum for EZs) if the ROI equals or exceeds 25% (City) and 30% (School District(s)) utilizing 100% for 15 year abatement inputs (10 years for EZs) in the ROI formulas above.
- Only projects with average annual wages exceeding the annual Low to Moderate Income (LMI) for Delaware County will be considered for abatements greater than 50%.
- Only primary target industries listed in the most recent city economic development plan will be considered for 100% gross CRA or EZ tax abatements unless otherwise stated in this EDIP.
- Secondary target industries specified in the most recent city economic development plan will be limited to the Downtown historic districts or areas for which the City desires significant redevelopment. In these areas, secondary target industries will be able to negotiate up to 100% gross CRA tax abatements for fifteen (15) years unless otherwise stated in this EDIP.
- Industries not specified as target industries in the current city economic development plan or industries that harm the overall infrastructure, environment or well-being of the residents of the City of Delaware will not be considered for CRA or EZ tax abatements unless otherwise stated in this EDIP.

City of Delaware Economic Development Incentive Policy

- Retail or restaurant projects outside of historic downtown Delaware will not be considered for property tax abatements unless they are proven to be of high economic impact to the community such as when infilling a particular building that has been vacant for an extended period or has lacked considerable reinvestment and has harmed the community as such, or as stated otherwise in this EDIP.
- Projects may require School Compensation Agreements or School Pilot Payment Agreements. See School Pilot Payments and School Compensation Agreements section for more information.

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City of Delaware Economic Development Incentive Policy

Examples of Formula in Use (based on actual projects):

Downtown Restaurant A Project Criteria:

FTEs: 13
 Payroll: \$275,000
 Building Investment: N/A

ROI	Restaurant A	10 year	100%
Taxes Foregone	\$20,631.00	School pilot payments subtracted	
Income Tax Generated During Abatement Period	\$7,326		
with 1.392 multiplier	\$10,198		
ROI =	-50.570%		
Negative ROI requires abatement % to be decreased. See below.			
ROI	Restaurant A	10 year	50%
Taxes Foregone	\$10,316.00	School pilot payments subtracted	
Income Tax Generated During Abatement Period	\$7,326		
with 1.392 multiplier	\$10,198		
ROI =	-1.14%		
Downtown Historic District Combined with nearly break even ROI makes project possible.			

Headquarter R&D and Boutique Manufacturing Facility Retention and Expansion

FTEs: 8 new FTEs; 39 retained FTEs
 Payroll: \$700,000 new payroll; \$2,700,000 retained payroll
 Building Investment: \$3,500,000

ROI	HQ/R&D/Boutique Manufacturing	15 year	100%
Taxes Foregone	\$704,534		
Income Tax Generated During Abatement Period	\$943,500		
with 1.456 multiplier	\$1,373,736		
ROI =	95%	return for every dollar lost on taxes abatement	
Nearly 100% ROI on a target industry retention and expansion project allows 100% abatement.			

City of Delaware Economic Development Incentive Policy

Downtown Restaurant B Project Criteria:

FTEs: 32.5

Payroll: \$400,000

Building Investment: \$1,152,000

ROI	Restaurant B	10 year	100%
Taxes Foregone	\$67,572.00	school pilot payments subtracted	
Income Tax Generated During Abatement Period with 1.392 multiplier	\$87,429		
	\$121,701		
ROI =	80.11%	return for every dollar lost on taxes abatement	
High positive ROI combined with target redevelopment area and 10 year term allows 100% abatement.			

Downtown Restaurant C Project Criteria:

FTEs: 13

Payroll: \$558,000

Building Investment: \$280,000

ROI	Restaurant C	10 year	50%
Taxes Foregone	\$10,316	school pilot payments subtracted	
Income Tax Generated During Abatement Period with 1.392 multiplier	\$7,326		
	\$10,198		
ROI =	-1.15%	return for every dollar lost on taxes abatement	
Negative to close to break-even ROI combined with target redevelopment area allows 50% abatement.			

City of Delaware Economic Development Incentive Policy

R&D, Boutique Manufacturing and Training Facility

FTEs: 35 new FTEs

Payroll: \$1,970,000

Building Investment: \$3,716,000

ROI	R&D and Boutique Manufacturing	15 year	100%
Taxes Foregone	\$599,058		
Income Tax Generated During Abatement Period with 1.456 multiplier	\$546,675		
	\$795,959		
ROI =	33%	return for every dollar lost on taxes abatement	
Greater than 25% ROI on a target industry attraction project allows 100% abatement.			

Process and Timeline:

- The City's Economic Development Director or staff will issue a City of Delaware Incentives application (Appendix A) to a potential Business or expanding Business upon request.
- The potential or expanding Business will submit the application along with a \$750 check made payable to the Ohio Development Services Agency and a \$750 check made payable to the City of Delaware to the City's Economic Development Director or staff.
- The City's Economic Development Director will calculate projected abated taxes using the CRA ROI Calculators and CRA calculator worksheet and County Auditor's information on comparable building taxes based on the company's request for percentage and term of CRA or Enterprise Zone agreement along with the company's justification for the request.
- The City's Economic Development Director will calculate the projected ROIs for the project using this EDIP's CRA ROI calculator formulas and the projected taxes abated from the CRA calculator worksheet. They will then make adjustments to the percentage and term of the abatement until a positive ROI is reached taking into consideration the possible need for school pilot payments from the Company.

City of Delaware Economic Development Incentive Policy

- The City's Economic Development Director will then recommend a percentage and term of abatement along with any other applicable incentives per this EDIP to the City Manager and School Superintendent(s) for discussion and consideration.
- Once consensus is reached by the City Manager, School Superintendent(s) and Economic Development Director, the resulting percentage and term of suggested CRA or Enterprise Zone abatement will then be included in an offer letter or Letter of Intent (LOI) to the Company along with any other incentives/programs which will be signed by the City Manager.
- The Company can either choose to accept the offer letter by submitting a letter or email of acceptance or negotiate the terms of the CRA or Enterprise Zone agreement (or other incentives/programs). If they choose to negotiate, the City's Economic Development Director will adjust percentage and terms in the ROI calculators in a way that will keep the City competitive with competing communities (if known) while also maintaining positive ROIs. Property tax abatements from competing communities will be requested, but may not be given. If known, the Economic Development Director also will take into consideration property tax rates from competing communities. The revised percentage and/or abatement term will be presented to the City Manager and School Superintendents for consideration and consensus before being submitted in a revised offer letter to the Company.
- The negotiation process may continue until both parties are satisfied, another community wins the project, or the City of Delaware and School District(s) cannot make positive ROI justifications for the project.
- If the company accepts the proposed CRA or Enterprise Zone abatement, the Economic Development Director will draft the CRA or Enterprise Zone agreement and legislation for City Council approval. Based on Council's acceptance of the use of this EDIP's CRA ROI formula, guidelines and processes, their acceptance is only required for allowing the City Manager to sign the CRA or Enterprise Zone agreement. The legislation submitted to City Council will contain an emergency clause.
- The CRA or Enterprise Zone agreement is signed by authorized Company representatives.
- The CRA or Enterprise Zone agreement is then presented to the applicable partnering School Superintendent(s) for signature. By way of accepting this EDIP, the partnering school board(s) waive the 45 day notification requirement for CRA agreements or 14 day notification requirement for Enterprise Zone agreements and have accepted the use of this EDIP's CRA ROI formulas, guidelines and processes in determining the CRA or Enterprise Zone agreement unless the project or project parameters become

City of Delaware Economic Development Incentive Policy

controversial or disputable in some manner. Therefore, their acceptance of individual CRA or Enterprise Zone agreements over 50% is waived (Agreements at 50% or less do not require school board approval.). For controversial projects and/or projects with disputable parameters, the school boards will be given their 45-days notice and the opportunity to accept, reject or modify potential abatement agreements as presented.

- The CRA or Enterprise Zone agreement is signed by the City Manager and electronic signed copies of the agreement are distributed to all parties and the Ohio Development Services Agency.
- After the negotiation phase, the goal is to complete this process within 45 days depending on the timing of Council meeting dates.
- Companies with active CRA or Enterprise Zone agreements are required to participate in the annual Tax Incentive Review Council's reporting process per the Ohio Revised Code. They must provide the information required in the annual reporting forms as well as any required information as presented in their abatement agreements. Companies with abatements pay an annual reporting fee of 1% of that year's abatement value up to a maximum of \$2500 to the City of Delaware. Reporting fees will be applied to a small business development fund utilized to assist small businesses starting and/or growing in the City of Delaware. The annual reporting fee may be reduced or waived by the City if the value of a CRA or Enterprise Zone abatement is below \$2,500 per year.
- If a Company is found by the Tax Incentive Review Council (TIRC) to not be in compliance with their active CRA or Enterprise Zone agreements and/or any other incentive agreements including school pilot payment agreements and the TIRC recommends to City Council that the CRA or Enterprise Zone agreement(s) be amended or terminated, the City may claw back a portion or all of the abated taxes from the time the CRA or Enterprise Zone agreement was activated according to a formula established in the agreement and taking into consideration economic conditions which may have been responsible for the inability to meet commitments.

City of Delaware Economic Development Incentive Policy

School Pilot Payments and School Compensation Agreements

In accordance with all policies and structure set forth in the ORC 3317.021, 3735.671 and 5709.82, the City of Delaware may work with the affected school district(s) to negotiate School Pilot Payment and Compensation Agreements.

Guidelines:

- The primary purpose of School Pilot Payments and School Compensation Agreements under this EDIP is to allow for School District(s) impacted by CRA or EZ abatements within this EDIP to achieve a minimum of a 30% School District(s) ROI as explained in the CRA/EZ section of this EDIP.
- For Projects with a payroll of less than \$1 million or projects with a payroll of greater than \$1 million but an ROI of less than 25%, the City will require the recipient of a CRA or EZ abatement to enter into a School Pilot Payment Agreement with the affected School District(s) which would provide for an annual payment to the affected School District(s) equal to 30% of what the School District(s) would have received in real property taxes absent the real property tax abatement using the School District(s) ROI Formula in this EDIP.
- Projects with a projected payroll exceeding \$1 million must include a school compensation agreement with payments to the affected school district equal to 50 percent of the difference between the amount of taxes levied and collected by the municipal corporation on the incomes of new employees over \$ 1 million in the calendar year ending on the day the payment is required to be made, and the amount of any infrastructure costs incurred in that calendar year unless the affected School District(s) achieve 30% or greater of what they would have normally received in taxes without an abatement and/or as otherwise stated in this EDIP. For purposes of such computation, the amount of infrastructure costs shall not exceed 35 percent of the amount of those taxes unless the board of education of the school district, by resolution adopted by a majority of the board, approves an amount in excess of that percentage. If the amount of those taxes or infrastructure costs must be estimated at the time the payment is made, payments in subsequent years shall be adjusted to compensate for any departure of those estimates from the actual amount of those taxes. (ORC 5709.82). Payments made by the city will be multiplied by a ratio based on the effective tax rates of the School District and the other overlapping School District (the Delaware Area Career Center). If the payments required by the School Compensation Agreement equal less than the 30% of what the School District would have received with a School Pilot Payment Agreement between the recipient of the abatement and the School District (s) on projects of less than 25% ROI, then the City may negotiate a School Pilot Payment Agreement between the recipient of the

City of Delaware Economic Development Incentive Policy

abatement and the School District(s) for the difference. Alternately, if the School Pilot Payment agreement between a school and the Company exceeds 50% of the payroll taxes on payroll over \$1 million for a project, the City will not be required to enter into a School Compensation Agreement with the impacted school district(s). The company may agree to pay a portion of School Compensation Agreement payments as school pilot payments, thus reducing the City's payment obligation. Payments directly made from the business/developer will be invoiced from and made out to the impacted school district(s) on an annual basis by March 31 as part of a school pilot payment agreement.

- To further incentivize Companies, the City may choose to pay a portion of the Company's School Pilot Payments as part of their incentive package per the Economic Incentive Grant portion of this EDIP.
- The affected School District(s) will annually invoice the Companies directly for School Pilot Payment Agreements.
- The affected School District(s) will annually invoice the City for payments for School Compensation Agreements and those payments will be made directly to the school district(s).

Process and Timeline:

- After receiving a City of Delaware Incentives application and processing the CRA and ROI formulas, the City's Economic Development Director will determine if a School Pilot Payment Agreement and/or School Compensation Agreement are necessary.
- If necessary, the City's Economic Development Director will follow the guidelines above to calculate the potential School Compensation or Pilot Payment amounts as well as factor them into the Project's ROI calculations, and communicate the results to the City Manager and School Superintendent(s) before finally including them in the Company's incentives Letter of Intent.
- The City Manager and Economic Development Director at this point also may discuss an offer to pay a portion of the Company's School Pilot Payments per the Economic Incentive Grant section of this EDIP.
- If the Company accepts the proposed incentives package, the Economic Development Director will draft the applicable School Pilot Payment Agreement and School Compensation Agreements and corresponding legislation for City Council approval. Based on Council's acceptance of the use of this EDIP's CRA ROI formula, guidelines and processes, their acceptance is only required for allowing the City Manager to sign the CRA or Enterprise Zone agreement. The legislation submitted to City Council will contain an emergency clause.

City of Delaware Economic Development Incentive Policy

- The School Pilot Payment and/or School Compensation Agreements are then signed by authorized Company representatives.
- The School Pilot Payment and/or School Compensation Agreements are then presented to the applicable partnering School Superintendent(s) for signature. By way of accepting this EDIP, the partnering school board(s) waive any notification requirements for such agreements and have accepted the use of this EDIP's School Pilot Payment and School Compensation Agreement guidelines and processes.
- The School Pilot Payment and/or School Compensation Agreements are then signed by the City Manager and electronic signed copies of the agreement are distributed to all parties and the Ohio Development Services Agency when necessary.
- After the negotiation phase, the goal is to complete this process within 45 days depending on the timing of Council meeting dates.

City of Delaware Economic Development Incentive Policy

Tax Increment Financing (TIF)

In accordance with all policies and structure set forth in the ORC 5709.40, 5709.41, 5709.411, 5709.42, and 5709.43, the City of Delaware may utilize Tax Increment Financing tax incentives to assist in paying for public infrastructure for an economic development project when the parcel is not within an existing Tax Increment Financing District.

Guidelines:

- These Tax Increment Financing (TIF) agreements will allow for reallocation of up to 100% of non-school real property taxes that have not already been abated and all but 50% of school real property taxes that have not already been abated to a public infrastructure project agreed upon by the City and the Business/Developer.
 - Accepted usages include:
 - Transportation infrastructure development and/or improvements; and
 - Utility infrastructure development and/or improvements.
- Parcels within the Sawmill Parkway TIF District have already been allocated toward the city's portion of the Sawmill Parkway Extension and are subject to the Sawmill Parkway TIF agreement with the affected School Districts.
- Due to the nature of these projects, other terms will not be set by the EDIP so that a TIF agreement can be customized to cover a needed portion of funding for a public infrastructure project.
- If the City needs to do a 100% school and 100% county agency TIF outside of the Sawmill Parkway TIF District to support a Project and the City does not already have a revenue sharing agreement with the affected School District(s) due to a CRA agreement for a project, the City agrees to pay 32.5% of the applicable Project Company's income taxes to the affected School District(s) if not already accounted for through a CRA, Enterprise Zone or School Revenue Sharing Agreement.

Process and Timeline:

- After a project selects a site or sites in which they will concentrate, the City of Delaware Economic Development staff will work with the appropriate City/and or State departments to determine potential costs for necessary public infrastructure improvements to serve the project on that site or those sites.
- The City's Economic Development Director will then calculate the potential TIF revenues that could be generated from that site or sites.
- The City's Economic Development Director will work with Columbus2020, JobsOhio and ODOT to find any potential matching grant funds to utilize with potential TIF funds.
- The City's Economic Development Director will work with the City's Law Director to draft an agreement between the City and the Company designating the terms of the TIF, the parcel(s) to be included and the designated recipient public infrastructure project(s).
- The City's Economic Development Director will present the draft agreement to the City Manager and School Superintendent(s) for their review.

City of Delaware Economic Development Incentive Policy

- By way of agreeing to this EDIP, the affected partner school district(s) agree to the potential TIF terms set within the TIF Guidelines section of the EDIP and waives notification period and approval requirements.
- After presenting the draft TIF Agreement to the company, they can either choose to accept terms of or negotiate the terms of the TIF. If they choose to negotiate, the City's Economic Development Director will work with the City Law Director to adjust the terms of the TIF while still meeting the financial needs of the City, Schools and the needed public infrastructure improvements.
- The negotiation process may continue until both parties are satisfied, another community wins the project, or the City of Delaware cannot make a positive ROI justification for the project.
- If the company accepts the proposed TIF Agreement, the Economic Development Director will deliver the TIF Agreement for City Council's approval of the City Manager signing the agreement at the closest upcoming Council meeting. Based on Council's acceptance of the use of this EDIP, their acceptance is only required for allowing the City Manager to sign the TIF Agreement. The legislation submitted to City Council will contain an emergency clause.
- The TIF Agreement is signed by authorized company representatives, the School Superintendent(s) and the City Manager. Electronic signed copies of the agreement are distributed to all parties and the Ohio Development Services Agency.
- After the negotiation phase, the goal is to complete the entire process within 45 days. Companies with active TIF Agreements are required to participate in the annual Tax Incentive Review Council's reporting process per the Ohio Revised Code.

City of Delaware Economic Development Incentive Policy

Performance Based Incentive

The City of Delaware, by ordinance, may negotiate a Performance Based Incentive for projects with a 50% or greater ROI (after any other incentives are applied). These are calculated as a dollar amount paid to the company annually as a grant equivalent to a percentage of that company's payroll tax withholdings for a negotiated number of years (maximum of five (5)). This program is designed to assist a company with controlling costs on a project while also ensuring that the company is responsible for performing at a certain hiring and/or payroll level. The level of incentive must still provide a positive ROI to the City for the project utilizing the CRA ROI formula and in combination with any other incentives.

Guidelines:

- For Projects with a \$1 million payroll or greater, the City may enter into a School Compensation Agreement with affected School District(s). When a School Compensation Agreement is entered, the School's portion of income tax withholdings is exempt from the City's Performance Based Incentive calculations.
- For Companies receiving a Performance Based Incentive to assist with School Pilot payments, the annual amount cannot exceed the annual amount of the School Pilot payments between the Company and School(s).
- The ROI for the project must be a minimum of 50% after all incentives are applied unless the project has other economic benefits to the community as determined by the City Manager, Finance Director, Economic Development Director and City Council.

Process and Timeline:

- A company with a proposed project completes the City of Delaware Incentives Application and includes its reasons for needing assistance.
- If a company qualified for a 100% CRA or Enterprise Zone abatement, the Economic Development Director, will calculate proposed income taxes generated by the new jobs for the project and remove a percentage of potential tax revenues in the Incentives ROI formula until a minimum 25% ROI is achieved on the project when combined with the abatement. The number of years of the incentive will be determined by how many years it would take to pay the equivalent of the % of calculated payroll taxes back to the company in the form of a one or multi-year grant payment. The maximum number of years is five (5).
- If the project does not qualify for a CRA or Enterprise Zone abatement, the Economic Development Director, will calculate proposed income taxes generated by the new jobs for the project and remove a percentage of potential tax revenues in the Incentives ROI formula until a minimum 50% ROI is achieved on the project. The number of years of the incentive will be determined by how many years it would take to pay the equivalent of the % of calculated payroll taxes back to the company in the form of a one or multi-year grant payment. The maximum number of years is five (5).
- The Economic Development Director will present these findings to the Finance Director and City Manager for consensus from the three on the amount, time and ROI for the Performance Based

City of Delaware Economic Development Incentive Policy

Incentive and determine if it can be assigned directly to a specific cost reduction factor of the project (i.e. infrastructure or utility costs, lease rates, building or land purchase, etc.).

- The Economic Development Director and City Manager will then include the proposed amount from the above steps in a Letter of Intent (LOI) as an Performance Based Incentive with other incentives to the company and be reviewed and signed by the City Manager.
- If the company rejects the Performance Based Incentive offer, the Performance Based Incentive process ends.
- If the company agrees to the terms of the offer letter and signs the offer letter, the Economic Development Director will draft the Performance Based Incentive agreement with the company.
- The agreement and accompanying legislation will be presented for City Council approval at the next scheduled council meeting. Based on Council's acceptance of the use of this EDIP's Performance Based Incentive guidelines and processes, their acceptance is only required for allowing the City Manager to sign the Performance Based Incentive agreement. The legislation submitted to City Council will contain an emergency clause.
- Companies with active Performance Based Incentive agreements are required to participate in the annual Tax Incentive Review Council's reporting process.
- If a company is found by the Tax Incentive Review Council to not be in compliance with their active Performance Based Incentive agreement and/or any other incentive agreements including school pilot payment agreements and the Council recommends to City Council that the Performance Based Incentive agreement be amended or terminated, the City may claw back a portion or all of the grants funds dispersed from the time the Performance Based Incentive agreement was activated according to a formula established in the agreement.

APPENDIX A – City of Delaware Incentives Application

1. a. Name of property owner, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).

Enterprise Name

Contact Person

Address

Telephone Number

City of Delaware Economic Development Incentive Policy

b. Project site:

Contact Person

Address

Telephone Number

2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.

b. List primary 6 digit North American Industry Classification System (NAICS) #

Business may list other relevant SIC numbers. _____

c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred:

d. Form of business of enterprise (corporation, partnership, proprietorship, or other).

APPENDIX A – Incentives Application CONTINUED

3. Name of principal owner(s) or officers of the business.

4. a. State the enterprise's current employment level at the proposed project site:

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes No

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:

City of Delaware Economic Development Incentive Policy

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

5. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?

Yes No

APPENDIX A – Incentives Application CONTINUED

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes No ___

c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law?

Yes No ___

d. If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets).

City of Delaware Economic Development Incentive Policy

6. Project Description:

7. Project will begin _____, 20__ and be completed _____, 20__ provided a tax exemption is provided.

8. a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):

b. State the timeframe of this projected hiring: _____ yrs.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

9. a. Estimate the amount of annual payroll such new employees will add \$ _____ (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).

APPENDIX A – Incentives Application CONTINUED

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ _____

10. An estimate of the amount to be invested by the applicant to establish, expand, renovate or occupy a facility:

- | | |
|--|----------|
| A. Acquisition of Buildings: | \$ _____ |
| B. Additions/New Construction: | \$ _____ |
| C. Improvements to existing buildings: | \$ _____ |
| D. Machinery & Equipment: | \$ _____ |
| E. Furniture & Fixtures: | \$ _____ |

City of Delaware Economic Development Incentive Policy

F. Inventory: \$

Total New Project Investment: \$

11. a. Business requests the following real estate tax exemption incentives: % for years.
Be specific as to the rate, and term.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

Submission of this application expressly authorizes (name of local jurisdiction) to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item# 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.

APPENDIX A – Incentives Application CONTINUED

The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) and 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Name of Property Owner

Date

Signature

Typed Name and Title

City of Delaware Economic Development Incentive Policy

* A copy of this proposal must be forwarded by the local governments to the affected Board of Education along with notice of the meeting date on which the local government will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the legislative authorities considering the request.

** Attach to Final Community Reinvestment Area Agreement as Exhibit A

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Department of Development within fifteen (15) days of final approval.