



Development Coordination
Concluding 2017 Annual Report
 Department of Community Service and Development
 City of Wooster

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EXECUTIVE SUMMARY

Creating Opportunities for Prosperity for Wooster Residents, Businesses & Start-Ups in 2017

Development is responsible for supporting **Economic and Community Development** under the direction of the Administration. Development pursues various grants to support City infrastructure projects to improve the quality of life for residents and to aid in job creation. The department also manages local tax incentive programs to encourage development. The Division performs a variety of real estate and business analyses to support City affairs and to aid in business growth. Development also performs Project Management for the City’s community improvement corporation, Wooster Growth. Among the programs managed, highlights from 2017 include:

Major Development Highlights



Daisy Brand Phase II Expansion secured with Development’s assistance, in partnership with WEDC and Wooster Growth. **\$142,000,000 new investment, 81 new Jobs with \$4,779,000 payroll.** Support: 10-Yr, 75% Enterprise Zone and Local-Job Creation Tax Credit, coupled with JobsOhio Economic Grant.

iAlexo Expansion (NetOps Consulting), from a leased location to a Permanent Wooster Site. The growing technology firm committed to retaining **23 jobs with a minimum \$387,504 payroll.** Support: 10-Yr, 50% Community Reinvestment Area to rehabilitate abandoned building at 2241 Benden Drive, Wooster, Ohio 44691.



RBB Systems Inc. Expansion into Wooster to underutilized 1909 Old Mansfield Road (newly acquired and rehabilitated by Baker Enterprises – Mt. Vernon LLC), with assistance from Development, Wooster Growth, and WEDC. **Represents 77 new jobs (52 existing) with \$3,375,000 payroll within 36 months.** Support: Real Estate Transaction, Leasehold improvements grant coupled with JobsOhio Economic Grant

2017 RECOGNITIONS:



- **Ohio Magazine Best Hometown Award 2017 / 2018**
Application Follow-Up, Site Tour, Community Outreach, and Award Ceremony
- **Money Magazine Top 100 Best Places to Live in the United States in 2017**
Inquiry Response
- **#4 FDi Strategy for Top Micro American Cities of the Future**
Courtesy of WEDC Submission

Funding:

\$962,500
CHIP GRANT

Development was the lead in an effort to secure a historic **\$962,500 Community Housing Impact and Preservation** grant covering the repair of ~20 homes in Wooster and also ~22 in Wayne County, prepared on behalf of the Wayne Partnership with Wayne Metropolitan Housing Authority.



1. Development also provided support for a Safe Routes to School Project in 2017 for a 2018 pursuit.
2. Development managed a \$192,500 CDBG Targets of Opportunity Grant through 2017.

Major Project Completions:



GOJO Industries Inc. Grants Close-Out.

Wooster Campus operational with new railway installation as part of the firm's \$43,096,000 expansion. Unofficial job creation estimates, including temporary employees, exceeded **300** in 2017, in comparison to a 244 job commitment with a \$12M Payroll. The rail project was made possible through Wooster Growth, Wayne County CIC, and ODOT. *WCH Medical Reimbursement Grant, WCH Medical Start-Up Grant, L-JCTC, Wooster Growth Rail Development Grant combined with Wayne County CIC grant and Ohio Rail Development Commission, in addition to support from the Ohio Development Services Agency and JobsOhio.*

Daisy Brand Phase I Completed

Daisy Brand LLC completed its **\$125,000,000** Phase I expansion into Wooster to produce sour cream for its eastern United States market. **89 persons** were employed in 2017 and production fully operational, allowing the plant to consider an expansion for cottage cheese production.

Waterline Infrastructure Grant (CDBG Economic Grant), Roadway Improvement Grant (Ohio DOT Jobs & Commerce), 2014 Enterprise Zone, L-JCTC, in addition to support from the Ohio Development Services Agency and JobsOhio.



Schaeffler Opening / 40th Anniversary

LuK USA, which started as a 35-person assembly operation in the 1970's, celebrated the completion of its 90,000 square foot expansion with an investment of \$61,500,000. The firm has committed to creating 250 new jobs while retaining 1,767 positions by 2021, representing a combined payroll of **\$112,550,926**. LuK/Schaeffler is Wooster's top employer. *Previous Enterprise Zone, 629 Road Grant, L-JCTC Pre-Payment Incentive through Wooster Growth, in addition to support from the Ohio Development Services Agency and JobsOhio.*

Development by the Numbers

Enterprise Zone

Three agreement actions
1 New, 1 Proposed, 1 Existing

18 Active EZ Agreements managed in 2017:

\$111,967,716 in property investment

\$89,662,101 in capital investment

2,391 jobs created / retained.

Community Reinvestment Area

Five CRA agreement actions
1 New, 1 Proposed, 3 Existing

32 Active CRA Agreements managed through 2017 with an impact of:

\$29,115,752 in property investment

\$889,484 in capital investment

337 jobs created / retained.

Community Development

Seven Private Business Consultations

55 Fair Housing Inquiries, five out-reaches, and 36 mailings processed.

Five Real Estate Site Studies / Reports

Six Biz-Connects

14 Business Consultations

Managed Reporting for

166 Loan (1909 Old Mansfield Rd)
629 Loan (Schaeffler Way)

Job Ready Sites Grant (Secrest)

Five Local Job Creation Tax Credit (L-JCTC)

CDBG Economic Grant (Daisy Brand)

CDBG Targets of Opportunity Grant (Polen)

CDBG Critical Infrastructure Grant

\$755,000 North Street & Liberty Signaling System

Housing Advisory Committee (CHIP)

Wooster's American Community Survey

Annual Census updated conducted by the US Census Bureau

27,023 People

A **3.2%** increase over 2010 vs. **0.7%** Statewide

2,152 registered firms¹

59.8% in labor force¹

\$1,406,265,000 in manufacturing shipments¹

\$597,894,000 in retail sales¹

\$303,983,000 in healthcare spending¹

\$41,703 median household income

19.3% in poverty vs. **14.6%** Statewide²

43% Low-to-Moderate Income²

90.1% high school graduate
Versus 89.5% Statewide

28.7% Bachelor's degree or higher
Versus 26.7% Statewide

1. 2012 Economic Census, latest figure available

2. While these numbers demonstrate challenges within our local economy, Wooster's household size, education, and age should be factored in considering the community's lower income and higher poverty rate. The utility infrastructure in Wooster has allowed for the development of apartment complexes that provide one-bedroom and two-bedroom affordable living opportunities for smaller families either starting out or down-sizing that are generally not available in non-urbanized areas.

The Year Ahead

- 2018 CDBG Grant Pursuits
 - Safe Routes to School Grant Application (Melrose)
 - Community Reinvestment Area Boundary Analysis
 - Coordination on Bike Trail in Wayne County
 - Creating New Tools for Local Entrepreneurship
 - Akron Road Industrial Park Project
- Continued Business Outreach, Consultation, and Project Management

Incentives Details

Enterprise Zone Program (EZ) – *Real estate tax abatement program focusing on major commercial.*

18 agreements were managed through 2017, including one new application and also a termination for 2017.

- *Daisy Brand LLC* received a 10-year, 75 percent EZ to invest \$140M and create 81 new jobs while retaining 89 positions previously committed under a prior agreement. The project represents one of the largest single capital expenditures in the City of Wooster's history.
- Processed a voluntary termination with *ABS Materials*, ending a 10-year, 75% abatement at its facility at 1909 Old Mansfield Road, Wooster, Ohio.
- Assisted *Baker Properties - Mt. Vernon LLC* on a 10-year, 75% EZ application that was approved by Wooster City Council. The business later generously declined the EZ, allowing the City to extend incentives to a prospective tenant.

Community Reinvestment Area (CRA) Program – *Real estate tax abatement program for rehabilitation.*

This Office managed 32 active CRA agreements, processing one new application, an application proposal, a transfer, a modification, a termination, and providing guidance in 2017.

- *Loral Properties LLC* received a 10-year, 50% abatement to convert a long-abandoned restaurant located at 2241 Akron Road into offices and create 2 jobs.
- Processed a CRA transfer from *Loral Properties LLC* to *iAlexo LLC*, revising a job commitment from the creation of two jobs to the retention of twenty-three employees.
- Processed a CRA modification request for *Brasfond USA LLC*.
- Processed a CRA application for *Braking Point Recovery Center* up through Wooster City Council's review. The applicant did not provide the details requested and the application was later denied.
- Processed a voluntary termination with *Just Basic Sports, Inc.* and *Retail Rentals LLC*, ending a 10-year, 50% abatement six years early, with the firm generously allowing \$20,000 to be reinvested in the community.
- Assisted the *Wooster Republican Printing Company* with a new firm with a CRA transfer application.

Local Job Creation Tax Credit (L-JCTC) – *Offered on new income taxes when creating 25 or more jobs.*

The Local JCTC grant offers firms up to a 50% credit on new local income taxes from qualifying created jobs (generally, primary-industry) for up to five years. Program requires participation in a State JCTC program.

- *Daisy Brand LLC* was awarded an 8-Yr, 50% job creation tax credit for creating 81 new jobs starting 2017.

Community Development Block Grant Program (CDBG) – *Grants for public infrastructure or benefit.*

The City of Wooster is eligible to compete for CDBG funds to support community development.

- Secured **\$192,500** in 2017 to assist Brian and Tammy Polen as owners of the 148 W. Liberty Street building in downtown Wooster, to assist with a historic restoration of one of Wooster's oldest buildings. Upon further architectural study later in the year, the scope changed dramatically and federal requirements rendered the grant unusable. The City has since cancelled this grant, however, the project will move forward due to Ohio Historic Preservation Tax Credits secured with assistance from this Office.

Community Development Block Grant Program (CDBG) – Continued

- Processed work on a previously-secured **\$379,000** grant for the replacement of five traffic signaling systems along Liberty Street and expanding medical services at VSFC.
- Processing information for \$500,000 CDBG Economic Grant (To close-out in 2018)
- The City of Wooster was not eligible to apply for CDBG funding in 2017, however, this office prepared a CDBG-required Community Development Implementation Strategy and other information to make funding applications in 2018.

Assisted other Departments in Securing Additional Grants – Grant pursuits to aid public infrastructure.

- Assisted with other grant requests, including a Safe Routes to School funding request to construct sidewalks connecting to Melrose Elementary in 2017, which remains on-going.
- On-going work with Ohio Department and Commerce to secure funding for industrial park expansion.

Business Consultation – Responds to Requests for proposals.

- Consulted with **six** businesses on WEDC BizConnects and individually regarding various expansion efforts.
- Coordinated with WEDC on information requests from JobsOhio on regional business inquiries.
- Provided consultations to **14** businesses, exclusive of previously described firms receiving CRA, EZ, or other incentives. While level of effort varies, Development’s consultations generally concern a local business start-up, expansion, or disposition, and typically involve at least one in-person meeting or site-visit (sometimes several) and a deliverable, such as creating or providing data or assisting the business through a unique process. Development coordinates with WEDC on most consultations performed.

Wooster Growth Corporation – This office provides project management to the not-for-profit corporation.

- Responsible for arranging monthly agendas, research requested by the Board, and oversight of land holdings.
- Negotiated a new lease with *Chemviron Midwest LLC* at 2579 Long Road, Wooster, Ohio 44691.
- Negotiated the sale of *1909 Old Mansfield Road* and also a related mutual lease termination tied with State of Ohio loan performance guarantees.
- Processed a Leasehold Improvements Incentive grant to follow along with a State of Ohio grant to secure *RBB System Inc.*’s expansion into Wooster, with a commitment of bringing 77 new jobs with a payroll of \$3,375,000 within three years.
- Processing of previous incentives to *LuK USA LLC*, *Daisy Brand LLC*, and *GOJO Industries*.

Community Development – This office provides project management to the not-for-profit corporation.

- Coordinated interviews, events, and other data to secure recognitions, including *Ohio Magazine Best Hometown Award 2017 / 2018*, and *Money Magazine Top 100 Places to Live in the United States in 2017*.
- Processed **55** fair housing inquiries in 2017 in coordination with property maintenance division and partner regional agencies. The Wooster Fair Housing Program performs outreach efforts in addition to answering inquiries for prospective and current landlords, tenants seeking information on landlord-tenant resources, and complaints from current and prospective residents concerning fair housing violations.
- Completed **five** comprehensive real estate analysis reports to aid various projects.
- Also provided support to the Northeast Ohio Four County Organization, Main Street Economic Development Committee, Planning and Zoning Committee, Bike Trail Committee, and WEDC Site Selection Committee.

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