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Ward Walks

As part of the City of Ashland's Quality Initiative, City leaders will engage in "ward walks" to gather feedback from the community. The first walk will be June 14th in Ward 4 and the second will be July 12th in Ward 3. See www.ashland-ohio.com, contact the Mayor's office 419-289-8622 or watch the T.G. for additional information.

ASHLAND BUSINESS PARK ATTRACTS ADDITIONAL GRANT MONEY

In January Mayor Strine, Ashland City Council, and the Ashland County Commissioners collaborated on a request for \$1,000,000 from the State's Industrial Site Improvement Fund (ISIF). ISIF was designed as a competitive process, allowing those counties that are currently designated as Appalachian or "Priority Investment Areas" to apply for infrastructure dollars that will make their business parks "shovel-ready" for new businesses.

With only \$5,000,000 available in the ISIF and 17 applicants from around the State, Ashland Business Park was very successful in receiving \$500,000. This was due to the strength of the development goals described in the application and the market potential that the State sees in our community. **This brings the total amount of State grant money for the Park to \$1,000,000. This is in addition to a \$500,000, 0% interest loan, which will be repaid as the City sells parcels.** The ISIF money will be used to extend roadways and water and sewer lines into the Park, as well as build a retention pond.

Ashland Economic Development is currently working with three prospects on land purchases that would total nearly 100 acres and create over 150 new jobs. The following timeline of Business Park infrastructure development will accommodate these prospects' construction timeframes:

Mid-to-late June: The City will advertise and open bids for construction of roadways, water, sanitary, and storm sewer lines.

July: Advertise and open bids for retention pond construction.

Early August: Complete the annexation of all Business Park land into the City of Ashland and expand the City's Enterprise Zone accordingly.

October: Complete the construction of interior roadways, connecting Faultless Drive to Wells Road, and create an interior cul-de-sac for smaller businesses. **(Note:** Land will be available for purchase and building construction prior to October due to the City's ability to grant businesses access to existing roads.)

GOVERNOR TAFT'S BUSINESS AND INVESTMENT MISSION TO EUROPE

Governor Bob Taft will lead a delegation of exporters, economic development professionals, and leaders of advanced technology companies to Europe from October 12-21, 2005. They will visit France, the United Kingdom, Germany, and one or two additional companies, depending on interest and the exact itinerary as it develops.

The purpose of the trip is to promote new or expanded European investment in Ohio, promote Ohio's exports, help companies and research organizations develop collaborative relationships, and highlight and encourage educational and cultural exchange. Specific activities will include networking events and sales calls, and the Governor will be available to attend individual company meetings. The cost of the trip is being developed; however, you may choose to attend only part of the mission. Please contact Randy Hochstetter, Mission Coordinator, to discuss your plans and interest in the trip: 614-466-5017 or rhochstetter@odod.state.oh.us.

ASHLAND TAX ABATEMENT PROGRAMS

There have been a lot of questions raised in the community regarding tax abatement. Additionally, the recent letter to the editor outlined a few concerns regarding tax abatement. A few specifics regarding the tax abatement situation in Ashland follow.

Tax abatements in Ashland County fall under one of two programs, Enterprise Zone and Community Reinvestment Area. The program most utilized is the Enterprise Zone program.

Only specific things can be abated under these two programs. Land can never be abated nor can anything that is currently being taxed. The only projects which qualify for abatement involve new investment. Thus, no money is ever "taken away" from the

schools or local governments. The amounts of new tax that they would receive are affected, however, these programs are an incentive to encourage new development, which does payoff through compensation agreements and when the abatement expires (generally 5-15 years) the entities receive 100% of assessed taxes. Additionally, the increase in employment, new investment in the community and indirect economic impact (such as dollars spent by the company to purchase goods and services from other local companies) all benefit the community.

Abatement Agreements are very specific about what real or personal property is abated. For example, if a company has \$1 million worth of machinery and equipment at varying levels of depreciation and is going to invest an additional \$500,000 in new equipment, only that new purchase can be abated. All other personal property will still be taxed accordingly. All real property would also be taxed. Only specific investments made by the company can receive abatement. The Company does not receive a “blank check” relieving them of any and all property tax.

A concern has been shown regarding the fact that 100% abatement agreements are granted. It is true that 100% abatement is outlined in the agreements, but it is very misleading. First, no company in Ashland County has received an abatement for 100% without a Compensation agreement included. The compensation agreements outline certain annual payments to be made to the schools and other taxing entities. These payments represent a percentage of what the taxes would have been.

The committee draws up the agreements as a 100% abatement with a side-bar compensation agreement because it benefits the school systems.

For example:

If a \$100,000 investment in machinery & equipment was being considered

Scenario 1: The City grants a 50% abatement

The Company would pay 50% of what the taxes would be.

In addition, 50% of the investment would appear on the “tax roll” which would then eliminate a portion of the State funding that the School system receives.

Scenario 2: The City grants a 100% abatement with a 50% compensation agreement

The Company would pay 50% of what the taxes would be

The Schools lose NO State funding as the 0% of the property is added to the “tax roll”

A suggestion was made to include a “breach of contract” clause in agreements. This provision is included in all agreements that are currently being entered into. This was added as a requirement in 2004. It is commonly referred to as a claw-back provision. .

There is not a minimum wage requirement outside of State and Federal law required for tax abatement. The negotiating committees (on behalf of the City or townships and the County) do however consider the types of jobs and respective wage levels and benefits when negotiating incentives. The agreement requires that a certain number of jobs are created and a certain level of annual payroll met by the Company. The Committee does not want to create additional levels of paperwork and bureaucracy to micromanage each

position created by a company. This would undoubtedly be a deterrent to companies and cost prohibitive to manage.

There are many factors to take into consideration regarding tax abatement. A case can be made for and against abatement. The current situation requires that Ashland and Ashland County utilize all available tools to be competitive with surrounding regions. Ohio currently has a tax environment that is non-competitive with surrounding States. Abatement provides an opportunity to encourage development and investment by easing that barrier.

Fund for our economic future

Voices and Choices Planning Process Set to Engage Citizens throughout Northeast Ohio

The Fund for Our Economic Future is an unprecedented collaboration among nearly 70 philanthropic organizations from across Northeast Ohio. Its goal is to encourage and advance an agenda for regional economic transformation. Launched in February 2004 as a three-year initiative, the Fund has raised more than \$27.85 million of an anticipated \$30 million. The money will be used to further the fund's objectives, which focus on three key initiatives of research, grant making for projects leading to job creation and economic development, and public engagement. Local community leaders led a fundraising effort that raised the necessary \$100,000 for Ashland County to become a member of the Fund, opening our communities up to the benefits of regionalism.

Ashland citizens will soon hear more and more about the Fund's public engagement component. The Fund has contracted with the non-profit organization *AmericaSpeaks* to facilitate an 18-month planning project. Known as "Voices and Choices," this project will engage tens of thousands of citizens in 15 counties across Northeast Ohio. Citizen interviews will last from May through early Fall 2005, followed by town meetings and community and leadership workshops. The project will also seek to educate the public on the economic realities of our regional economy. Throughout the process, *AmericaSpeaks* will work closely with political and business leaders throughout the process so the region will be ready to act on the resulting agenda. Please contact Director Martin Irvine to learn more and discuss your interest in participating.

MAGF CORNER

As the new Executive Director of the Mohican Area Growth Foundation, Martin Irvine has enjoyed the opportunity to work with a tight-knit and focused MAGF Board. The Board and Martin have made great strides as they work closely with Loudonville and Perrysville industries, small businesses, and the public. **On June 10th 2005 at 8:00 a.m. Martin will share a detailed report on the Mohican economy at MAGF's Annual Meeting. The event will be held at Rader's Restaurant in Loudonville and the public is encouraged to attend.** Key topics to be covered:

Industrial Report: Employment, Investments, and Current and Future Industry Trends at Mansfield Plumbing Products, Step 2, Truax Printing, Thompson Paper Products, SNS Ohio, MCI Service Parts, and Sunset Golf.

Fund for Our Economic Future: Ashland County's involvement in this Northeast Ohio initiative for economic planning and transformation.

Tourism: Report on the recent Wally Road Scenic Byway designation and conference, as well as the current effort to coordinate all local tourism events.

Prospect Activity Report by Evan Scurti: Details on county-wide prospects and involvement with small, service-oriented businesses.

The Future: Next year's county-wide partnership for economic development and long-range planning efforts in Loudonville, Perrysville, and Hayesville.

Please plan on joining us for an Annual Meeting that is sure to inform and strengthen the Mohican Area.

Growing Ashland County Businesses

RPG

R.P.G. / Return Polymers, Inc. is a plastic recycling facility. The business was located in Ashland in 1998. The Ashland facility recycles only one plastic, PVC (polyvinyl chloride). Examples of material that are recycled include vinyl house siding, PVC pipe, window blinds, and protective toy wrappers (e.g. Barbie Doll covers, etc.). One million plus pounds are put back into the industry each week instead of being land-filled.

The City of Ashland and Ashland County recently entered into an enterprise zone agreement with R.P.G. / Return Polymers, Inc. to help with an expansion of over 16,000 square feet to the recycling facility and the addition of two new processing machines. This expansion is the result of the company's strength and continued growth.

R.P.G., Inc., presently employs 62 permanent people and 13 temporaries. The new expansion will create 10 new permanent jobs and will increase plant capacity 20%. Ashland Economic Development wishes to congratulate R.P.G., Inc. on its upcoming expansion and growth within the plastics recycling industry.

Truax Printing

Bendon Publishing, located in the former Hydromatic building on Baney Road, has become a world-wide leader in the children's book publishing industry, in part due to its partnership with the Ashland warehousing and distribution firm D.W. Enterprises. D.W., now co-located at the Baney Road plant, helps Bendon reduce shipping costs as well as keep jobs local. Bendon has now formed another great local partnership with Loudonville-based Truax Printing, which has provided printing services in Loudonville since 1966. Truax will invest nearly \$1.5 million in production equipment in the rear section of the Baney Road facility. They will produce Bendon's "perfect-bound" books that were previously printed in Indiana and Wisconsin.

President Tom Truax states that this will lead to 5 or 6 new jobs in Loudonville and 12-16 in Ashland. This arrangement is truly a win-win for all of Ashland County. Bendon President Ben Ferguson says the economic impact of the consolidation will be about \$5 million in business to the county, and he states, "This reflects our company philosophy of keeping as much business as we can in the city and county." Ashland Economic Development is proud that our county is home to this unique partnership and commitment to the local economy and workforce. As Loudonville Times Editor Jim Brewer explained in his recent editorial, Ashland County now has another great example of how modern firms are beginning to partner to achieve mutually beneficial business growth. Congratulations, Truax, on achieving this great business expansion!