

## 6. Economic Development

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### **A. Overview**

As part of this Plan an economic assessment was conducted. A key component of this analysis was to identify relative strengths in the regional economy which suggest opportunities for Piqua, and weaknesses that the City can improve on. The information from this analysis can be used to help refine targeted economic development, marketing and long-term planning & recruitment efforts.

Piqua's competitive position must be understood in the regional context, since many business decisions affecting Piqua are made from within the Dayton region. Overall trends in Dayton's economic base have had an impact on the health of Piqua's economy and communities. Thus, the analysis and recommendations in this chapter focuses to an extent on Piqua's role within Miami County's and the regional economy.

The Dayton regional economy faltered from 1998 to 2004, largely because of the area's dependence on declining manufacturing industries. Even so, there were small gains in professional & technical services and information industries within the region, mirroring the growth of those industries nationwide. Miami County's economy fared somewhat better than the region as a whole, and its manufacturing base actually increased in number of establishments during this same period. Piqua has a long history as a manufacturing center and its dependence on this sector has impacted its

current economic situation as manufacturing has been on a decline nationwide.

Today Piqua is poised to strengthen the City's competitive position to attract new industry, and diversify the local economic base so that it is not dependent on any one sector of the economy. This chapter outlines the recommendations for addressing economic development in the Community. The remaining sections of this chapter include:

- B. Economic Development Goal
- C. Key Findings
- D. Principles
- E. Objective and Strategies

### **B. Economic Development Goal**

The Economic Development goal is provided below. The goal was developed by the Steering Committee based on citizen's input.

*Enhance Piqua's local economy through policies and programs that attract progressive new industries, increase the number of high paying jobs with benefits, retain existing small businesses, develop a strong workforce, increase the number of quality of life amenities, and contribute to a vibrant downtown.*

### **C. Key Findings**

As part of this planning process, an extensive analysis of existing conditions and trends was conducted (see Chapter 5 Economic Development in the Existing Conditions Report). Listed below are a summary of the primary key findings related to economic development in Piqua.

Several key issues have been identified that are driving the need for targeted economic development efforts. These issues were identified by examining existing data, as well as field reconnaissance, and interviews with business leaders in the community.

**Declining regional manufacturing base:** The Dayton Region, including Piqua, like many "rust-belt" regions, has been impacted by the decline in heavy manufacturing. However, while cities like Pittsburgh or Milwaukee have had some success in attracting white-collar professional and technical services jobs, the Dayton region has continued to lose employment and business base across almost all sectors, particularly the manufacturing sector.

Over the past decade the region has declined in manufacturing employment. The highest rate of decline was in furniture (57.2%), apparel & textiles (46.7%), transportation equipment (42.8%), and industrial machinery (32.0%). The largest absolute numbers of losses were seen in transportation equipment (13,100 jobs), followed by machinery (4,400), fabricated metals (2,400), printing (1,100), and furniture (1,000).

**Limited economic base (lack of economic diversity):** Piqua has a long history as a manufacturing center and its dependence on this sector has impacted its current economic situation. Retail is the leading sector in terms of the number of businesses (22% of the total), but retail has not generated significant employment. Other large numbers of businesses are found in manufacturing (13%), administration services (12%), construction (9%), real estate (9%), health care (8%), and finance (6%).

Manufacturing is still the most important private employer in Piqua. Major employers include Hartzell Propellers, Crayex Corporation, Miami Valley Steel, Evenflow, Retterbush Fiberglass, among others. Companies which have been in Piqua for a number of years like Jackson Tube, Hartzell Industries, Orr Felt Company, and French Oil Mill Machinery have been joined by relative newcomers like B&L Labels.

The number of manufacturing businesses in Piqua fell by three between 1998 and 2004. The City, like Miami County and the region as a whole, lost a higher number of businesses fabricating industrial machinery & equipment. Piqua also lost two of its four food manufacturers. At the same time, the City gained textile, fabricated metal, electronics, and transportation equipment manufacturing firms, contrasting with regional trends.

**Competition with neighboring communities:** An analysis of the manufacturing sector in the four cities along the I-75 Corridor north of Dayton, (Piqua, Troy, Sidney, and Tipp City), reveals that they have strikingly similar dependencies on several individual industries. The largest share (about 30%) of manufacturing business in each of the four cities is in metal fabrication.

The four cities also share a similar dependency on machinery manufacturing, at around 15% of the total manufacturing base in each City. The only significant difference in the manufacturing base of the four cities is where Tipp City has a somewhat smaller share in plastics, wood products, and several other industries. This data suggest that the four cities, being equally dependent on the same manufacturing industries, are more likely to compete with one another for this same industrial base. If there was more diversity between the cities with respect to their industrial base, then they would be less likely to compete directly.

**A need for additional local amenities and improved public image:** Both the public meeting results and stakeholder interviews revealed that some Piqua residents have a negative perception of the Community. This perception was primarily of the economy, as well as other indicators that affect local economic performance such as the built environment, as well as public services and local amenities.

Some businesses noted that negative perceptions of the local schools (regardless of their improving standards and qualities) had impacted their ability to attract professional workers to live in Piqua. Piqua and its school

system have made significant progress in recent years with respect to amenities, school performance, and other factors. However, there is a need to change lingering negative perceptions that permeate the regional conscience among real estate professionals, area residents, returning young professionals, businesses, and others inside and outside of Piqua.

Some residents made the connection between a lack of amenities (e.g., restaurants, nightlife, cultural & entertainment amenities, shopping) to the challenges in recruiting professional staff. There was also a feeling that some in Piqua are living in the past and not thinking pro-actively about the City's potential.

**Vacant & aging industrial buildings:** Piqua has only a handful of planned industrial parks, with many of the City's industrial uses located in older mixed-use neighborhoods or along City streets. An estimate of total industrial & service building space in Piqua has been calculated at approximately 4.5 to 5.5 million square feet. Of this number, about 970,000 square feet is vacant, yielding a vacancy rate in the range of about 18 to 21%. The Copperweld and Aerovent structures account for approximately half of the current vacancy. If these two buildings are removed from the inventory, then there is approximately 379,000 square feet of available industrial space in dozens of buildings scattered throughout the City. Some of this space is relatively competitive for certain industrial uses, such as three buildings totaling 40,000 square feet available in the Paul Sherry Industrial Park. However, most of the space has low ceiling heights, tight locations in urban neighborhoods, poor accessibility from I-75, or other aspects that make them less marketable.

**Lack of targeted marketing strategy:** Piqua is in need of an up-to-date marketing strategy and campaign to help shape the local economic future. Piqua's efforts at external industrial marketing should focus on accommodating key industries that help build Piqua's internal strengths as a way of establishing a *reputation* that attracts these (and other) industries and encourages their development. Key industries have been identified as targets for marketing in Piqua. These industries are summarized below.

- Plastic Packaging Materials
- Plastic Pipe & Plumbing Fixtures
- Specialty Plastic Components (e.g., medical, transportation equipment)
- Dyes, Inks (specialty chemicals)
- Metal Stampings, Fittings & Hardware
- Computer Hardware
- Wood Cabinets, Doors, & Furnishings

**Impact of industrial base on residential market:** Piqua has a large stock of older, single-family frame homes. Many of these homes were built more than

fifty years ago to house workers who relocated to Piqua during an economic boom in industrial activity. Today, many of these houses are quickly deteriorating, and have been converted to rental properties which is causing additional problems in the Community and local housing market.

The housing market is also being shaped by economic growth creating a new demand for executive housing. Future high-tech industrial growth will bring a number of new professional jobs. The City does lack some of the executive housing product that can appeal to managers and professionals filling these positions. Currently there is new “executive housing” under development in the City that is targeted toward this sector of the market (see the Housing Chapter for more details).

**A strong local work ethic and low cost of labor give Piqua a competitive edge:** Many area employers specifically mentioned the strong work ethic of the local labor force as a key selling point for Piqua. Whereas employers in other parts of the country have difficulty in finding hard-working employees for basic low- and moderate-skilled jobs, some of Piqua’s employers seem to have more success in locating such workers.

#### **D. Principles**

The full list of principles that describe the direction and form of future development and revitalization efforts in Piqua are listed in the Land Use Chapter. These principles focus on the quality, pattern, form, character, and organization of development and address a desire to strengthen the quality of the physical environment. They were developed through extensive consultations with the public and City staff. Many of these principles relate to economic development and were utilized in formulating the objectives and strategies of this chapter. Principles three and five refer directly to industrial development, refer to the Land Use Chapter for the complete list of principles

- 3. Underutilized industrial, institutional, and manufacturing districts and sites will be strategically redeveloped and incorporated back into the Community fabric.**
- 5. Future industrial development on the edges of the Community will be compatible with the surrounding areas, and not burden the existing transportation infrastructure.**

#### **E. Objectives and Strategies**

Outlined below are objectives and strategies intended to guide decisions related to marketing Piqua for targeted industries, industrial real estate, intra-regional marketing, public relations, amenity development, small business assistance, and joint regional marketing efforts.

These recommendations were developed based on the findings from Chapter 5 Economic Development Chapter in the Existing Conditions Report. The intent of these objectives and strategies is to achieve the Economic Development Goal.

**Objective 1****Support local business development.**

Most jobs are created by small businesses, and Piqua has the opportunity to establish a niche among its neighbors with an emphasis on small business development. Piqua currently has fiscal incentives for industrial businesses, but relatively few financial incentives or services oriented to encouraging entrepreneurship and the growth of small businesses. New incentives need to be explored to support small businesses.

New economic growth and marketing also begins with an intensive effort to assist businesses that already exist locally, and understanding their specific needs and how to help their companies grow. Working closely with local businesses will help identify any potential synergies between existing businesses, and identify new businesses that might be attracted from within their respective industry.

**Strategies****ED1.1 Explore opportunities to create working capital loans for small businesses.**

Many small businesses suffer from growing pains, where they have insufficient stock to meet the needs of the market. Working capital loans through a loan pool created by local government in concert with local banks, would be one approach to meeting this need.

**ED 1.2 Create a regional venture capital fund.**

There are very few venture capital funds in the Dayton region oriented to small businesses. Yet, Dayton was once known as one of the entrepreneurial capitals of the country. Establishing a Miami Valley VC Fund, based in Piqua, may succeed in attracting entrepreneurs

**ED 1.3 Support small business training assistance.**

Regional education resources, as well as SBA and other agencies, provide small business training. There may be opportunities to supplement these resources with contracts for specialized training as necessary. More formal business incubators would also serve a role in helping to grow emerging businesses.

**ED 1.4 Develop office space that can accommodate shared administrative functions.**

In addition to the incubator model, there are opportunities to redevelop existing space for small business units with shared administrative and meeting spaces.

**ED 1.5 Develop insurance co-operatives.**

In an effort to reduce costs, small businesses often form co-operatives for insurance, health care, etc. Encouraging the development of such co-

operatives, by providing access to information, legal advice, or seed funding can be a role for local government.

**ED 1.6 The City should provide more resources and incentives to Edison Community College to help train the workforce and attract higher end employment.**

Training new workers from the local area is critical to support the future of Piqua’s economy. Working with the Chamber and local educational institutions the City can take a proactive role in shaping the local workforce to meet the demand of targeted businesses and industries.

**ED 1.7 Work with Edison Community College/Joint Vocational School/Piqua High School in order to develop and expand education and training in entrepreneurial development.**

Piqua already benefits from the presence of regional vocational education programs, and there is a need to expand the components of these programs that are oriented to entrepreneurship. Working closely with the Edison Community College and JVS to further focus programs where there is a need in the local business base is essential. Sharing the target industry information with these institutions and encouraging further program development within these industries is also helpful.

**Objective 2**

**Initiate and support economic marketing strategies.**

The City of Piqua is refining its long-term marketing strategy, informed in part by the results of this analysis. However, the City should remain mindful that only a small share of business development and job growth is actually attributable to relocations of large companies. Most growth will remain internal to existing businesses or encouraged through entrepreneurship and small business development at the local and regional level.

Nevertheless, Piqua’s external industrial marketing should focus on attracting and assisting target industries to locate to the area. As mentioned earlier, the “marketing” approach should focus on building Piqua’s internal strengths as a way of establishing a reputation that attracts targeted industries (see sidebar) and encourages their development.

**Strategies**

**ED 2.1 Initiate and/or support regional marketing campaigns.**

Many issues impacting Piqua’s economic growth and diversification are common to Miami County and the Dayton region. It is recommended that Piqua continue to take a leadership role within the region to bring local economic development agencies and officials together to discuss opportunities for Miami Valley regional marketing. If resources can be shared

Targeted industries for marketing and development:

- Plastic Packaging Materials
- Plastic Pipe & Plumbing Fixtures
- Specialty Plastic Components (e.g., medical, transportation equipment)
- Dyes, Inks (specialty chemicals)
- Metal Stampings, Fittings & Hardware

and specialized niches developed, then the region and the individual communities all stand to benefit.

**ED 2.2 Promote the local labor force as an economic asset when conducting marketing campaigns.**

Area businesses have identified a real strength in Piqua's and the area's labor force work ethic. Given the labor challenges facing industrial businesses nationally, especially in times of economic expansion and immigration controls, Piqua should focus its outward promotional effort and advertising efforts on promoting the Community's work ethic as well as its vocational education & training resources. This can be accomplished best through extensive testimonials from existing businesses. The definition of "work ethic" needs to be explored further with local companies so that the actual benefits are easily communicated.

**ED 2.3 Create "Centers of Excellence" and "Industry Hubs".**

The City should participate in concert with local industries in establishing "centers" or "hubs" for certain industry clusters. By facilitating the creation of such centers or hubs, the City is in effect creating a marketing tool for attracting more businesses that would benefit from this effort.

For example, a Transportation Equipment Components Hub might be established that includes existing local businesses in the plastic molding, metal stamping, and electronics industries. This "hub" might only consist of a roundtable discussion at first to explore synergies, challenges, and opportunities between the companies within this component cluster. Over time, the "hub" might be encouraged to develop its own structure, with an elected Board (like a Chamber) to oversee programs that might include:

- Liaison with Edison Community College / JVC
- Regional networking functions (Miami Valley / Dayton)
- Joint contract marketing & development
- Lobbying of State / Federal agencies
- Entrepreneurship development / incubator for small business suppliers
- Recruitment effort pooling
- Other resource pooling (e.g., to write down health care costs)
- Joint marketing programs
- Attracting local, state, or federal incentives for the cluster
- New product development & intra-hub synergies
- "Center of Excellence," joint R&D effort for attracting federal or institutional research funding to the area.

Piqua's economic development division would have the ability to market the City's hub and its overall efforts to enhance the business environment for businesses within this transportation equipment components cluster and its specific industries (metal stamping, plastic molding, and electronics, for example). More importantly, the hub offers an opportunity for diversification of industries within the cluster, by attracting new types of manufacturers or

service providers to the area. Other possible hubs or centers might include a hub for the **Furnishings Materials Industries** (e.g., plastic & wood cabinet, door, & furniture manufacturers) or might be oriented specifically to one industry, i.e., **plastics** for example.

**ED 2.4 Support and encourage Grow Piqua Now in order to achieve the economic development goal, objectives and strategies.**

Piqua is currently involved in an active marketing campaign called Grow Piqua Now which is working to build the local economic base. This is a well-defined marketing effort that should continue to be supported by the City. Grow Piqua Now, together with the City can actively work together to accomplish the strategies outlined in this and other chapters.

**Objective 3**

**Create and market competitive Industrial real estate.**

One way in which Piqua can improve its competitive edge is by creating a new supply of marketable industrial space. Piqua is somewhat deficient in the availability of competitive, new industrial building stock. Sidney has been successful in attracting new industry in large measure due to its active local development community and their creation of large and competitive new industrial buildings available at affordable rates. While Piqua has several very large available industrial buildings, they are substantially larger than the average building requirement for most light manufacturing firms. Some of the smaller available buildings are competitively constructed but are located away from the major transportation corridor in the area, I-75. Where industrial land is available and proximate to I-75, there is comparatively little building product to attract potential users.

**Strategies**

**ED 3.1 Create a marketing tour of Piqua's industrial sites and buildings.**

As Part of Grow Piqua Now there could be a semi-annual tour of selected industrial sites for industrial and commercial brokers from throughout Dayton and the Miami Valley. The purpose of this strategy would be to raise the visibility of industrial space in Piqua and build relationships with regional brokers and agents.

**ED 3.2 Determine the viability of speculative industrial and commercial space.**

Working with Grow Piqua Now, and local real estate professionals, the City should continue to examine and determine the viability of existing/vacant industrial and commercial space. Appropriate building types, sizes, features, and locations should be identified relative to market demands.

**ED 3.3 Encourage master planned industrial development.**

Identify City-owned land or sites where master-planned industrial development should be encouraged. If no City-owned properties exist, then

determine a strategy for assemblage of land in concert with private land owners. The land should be located with easy access and good visibility from I-75. The industrial park would have the full marketing strategy in place to encourage long-term development in a high-value location for attracting light industry.

**ED 3.4 Generate a request for proposals to attract industrial developers.**

A request for proposal (RFP) to develop City owned property can be an effective way to stimulate new development. Using City-owned land, while actively acquiring new parcels (potentially those that need redeveloped, see Redevelopment Chapter) and creating incentives to leverage private development interest will generate new interest in the local real estate economy. The City may also provide incentive funding for a public-private partnership in development of initial speculative industrial building.

**ED 3.5 Undertake infrastructure improvements that support economic development efforts that are fiscally positive for the community.**

The City should be committee to making infrastructure improvements that grow the locally economy. A priority should be given to making improvements to the existing infrastructure that supports infill and redevelopment projects.

**ED 3.6 Plan and implement Grow Piqua Now (GPN) program focused on acquisition and development or redevelopment of business/industrial sites.**

Grow Piqua Now is a valuable community asset the City should continue to support. Grow Piqua now should be consulted with when considering future economic development programs and new development. GPN is resources will be valuable when considering the recommendations in the Redevelopment Chapter.

**Objective 4**

**Support intra-regional public relations.**

Piqua has made significant progress in recent years with respect to creating new amenities, improving school performance, and improving the overall quality of life. The City should continue to work and improve the quality of life in Piqua and market local successes to regional community members such as real estate professionals, area residents, returning students, businesses, and others inside and outside Piqua. Efforts should be oriented to changing the overall perceptions of Piqua as a place to live, work, and grow a business within the Miami Valley.

**Strategies**

**ED 4.1 Integrate public relations regarding positive changes in Piqua into marketing campaigns.**

A public relations campaign is recommended that focuses on changing perceptions first “at home” in Piqua, secondly in Miami County, and finally in the Dayton Metropolitan Area and Miami Valley Region. This campaign may target three groups: entrepreneurs & small/growing businesses, white-collar professionals with families, and returning students (or graduating seniors).

**ED 4.2 Develop local amenities to attract and retain young professionals.**

The City needs to focus on efforts to reduce the “brain drain” and attract young professionals, especially industrial engineers and others that are needed by local businesses, back to the City. Targeting students, entrepreneurs, and white-collar professionals will require a complete package that must include added and enhanced amenities. The planning process has identified certain amenities that could appeal to and encourage more college graduates to return home to Piqua. Downtown and its nightlife, retail, cultural venues, entertainment facilities, and restaurants, should play a key role in this effort. It is recommended that the market potentials for development downtown and along the riverfront be explored further to determine where there are viable opportunities (this issue is addressed in part in the Redevelopment Chapter).

**ED 4.3 Diversify the housing stock to attract new employees.**

There is the need to work with developers and builders in diversifying the housing mix to provide new housing options for young professionals and executives (this concept is explored further in the Housing Chapter).

**ED 4.4 Develop and enhance recreational facilities as amenities to support future economic growth.**

Where the City already has valuable amenities, such as in its recreation facilities, trails and parks, such amenities should be expanded and enhanced. New recreation facilities should be developed that appeal to the target market. Opportunities for recreation should be explored that connect residents to the Great Miami River and the downtown waterfront.