Comprehensive Plan

City of Piqua

Steering Committee Meeting
March 21st, 2007

Economic Development:
Target Industry Analysis

Housing:
Housing Market Analysis

Economic Development – Key Issues

- Declining regional manufacturing base
  - Dependency on manufacturing
- Competition with neighboring communities
  - Similar economies
- Negative perceptions
  - Housing, schools, social problems
  - Lack of Amenities
  - Unable to retain / attract young professionals
- Vacant & aging industrial buildings
  - Lack of competitive, available industrial stock
- Slow absorption of industrial land
  - Lack of targeted marketing strategy

Existing Conditions - Dayton Region

Table 1. **AT-PLACE MANUFACTURING EMPLOYMENT TRENDS, METRO DAYTON, 1998-2004**

			1998-2004 Change	
Industry	**1998**	**2004**	**Number**	**Percent**
Food 1/	2,275	1,809	(466)	**-20.5%**
Textiles/Apparel 2/	983	524	(460)	**-46.7%**
Wood & Paper 3/	2,653	2,434	(219)	-8.3%
Printing 4/	4,859	3,750	(1,110)	**-22.8%**
Plast/Chem/Rbr 5/	7,801	7,686	(115)	-1.5%
Mineral Prods 6/	1,545	1,121	(424)	**-27.4%**
Steel, Metals 7/	1,750	1,750	N/A	N/A
Fabricated Metal 8/	11,233	8,877	(2,356)	**-21.0%**
Machinery/Equip 9/	13,775	9,363	(4,412)	**-32.0%**
Electronic/ical 10/	5,499	5,499	N/A	N/A
Transport Equip 11/	30,612	17,500	(13,113)	**-42.8%**
Furniture 12/	1,750	750	(1,000)	**-57.2%**
Misc Mfg 13/	1,965	1,750	(216)	-11.0%
TOTAL	**87,403**	**60,046**	**(27,357)**	**-31.3%**

Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.

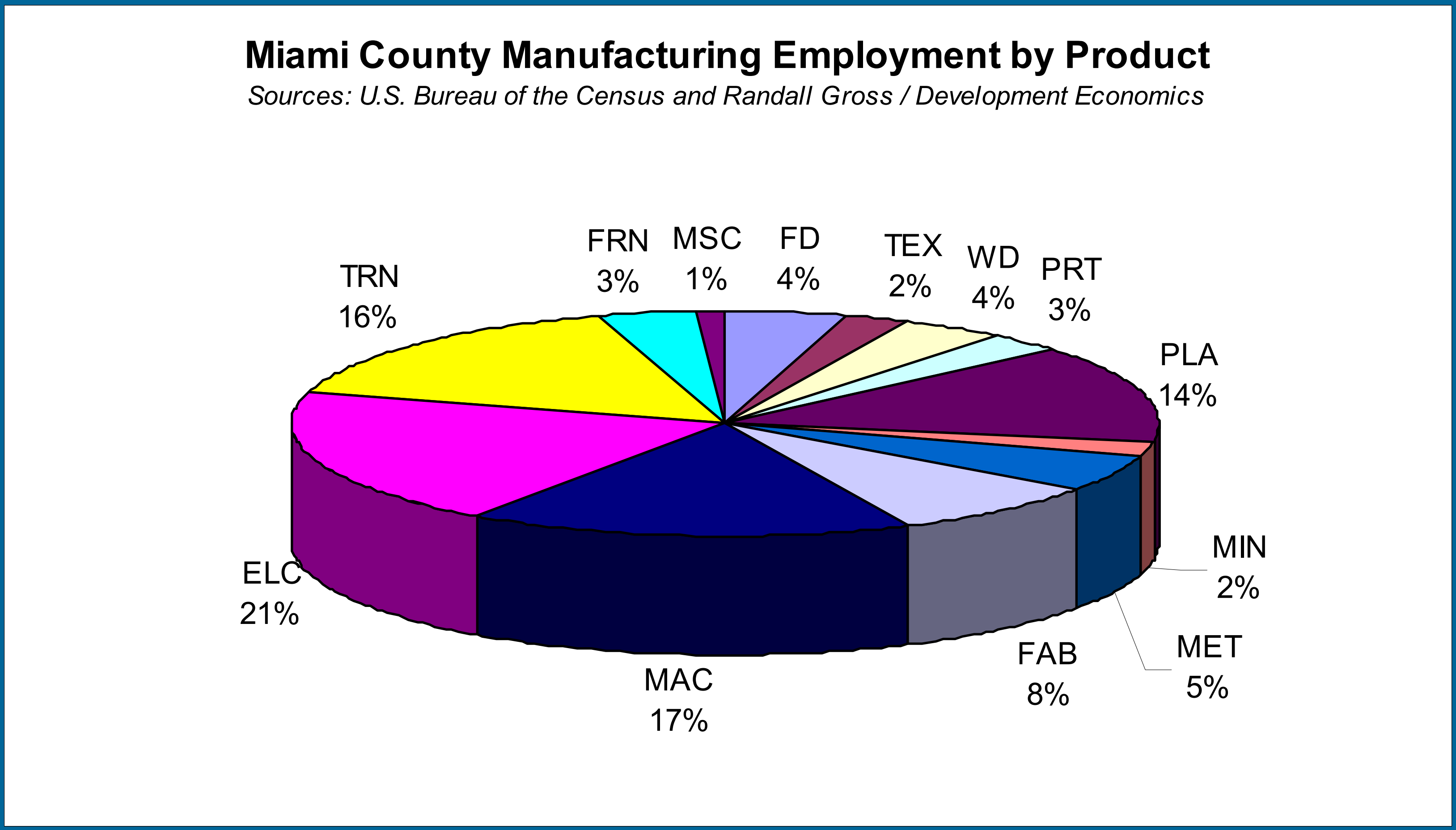
Existing Conditions – Miami County Region

Table 2. **AT-PLACE MANUFACTURING EMPLOYMENT TRENDS, MIAMI COUNTY, 1998-2004**

Industry	1998	2004	1998-2004 Change Number	Percent
Food 1/	584	537	(47)	-8.0%
Textiles/Apparel 2/	217	294	77	**35.3%**
Wood & Paper 3/	752	494	(258)	**-34.3%**
Printing 4/	466	314	(152)	**-32.6%**
Plast/Chem/Rbr 5/	1,574	1,716	143	9.1%
Mineral Prods 6/	254	270	16	6.3%
Steel, Metals 7/	867	619	(248)	**-28.6%**
Fabricated Metal 8/	1,101	976	(125)	-11.4%
Machinery/Equip 9/	3,209	2,046	(1,163)	**-36.2%**
Electronic/ical 10/	2,124	2,397	273	**12.8%**
Transport Equip 11/	2,189	1,919	(270)	-12.3%
Furniture 12/	750	419	(331)	**-44.1%**
Misc Mfg 13/	390	149	(241)	**-61.8%**
TOTAL	**14,505**	**11,834**	**(2,671)**	**-18.4%**

Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.

Miami County Manufacturing Sectors



Existing Conditions – Piqua Industry

Table. **AT-PLACE BUSINESS ESTABLISHMENT TRENDS, PIQUA, 1998-2004**

Industry	1998	2000	2004	1998-2004 Change Number	1998-2004 Change Percent
Agriculture	-	-	-	-	0.0%
Mining	-	-	-	-	0.0%
Utilities	1	1	1	-	0.0%
Construction	57	50	56	(1)	-1.8%
Manufacturing	85	86	81	(4)	-4.7%
Wholesale Trade	34	33	25	(9)	-26.5%
Retail Trade	147	143	138	(9)	-6.1%
Transport	15	14	14	(1)	-6.7%
Information	6	5	9	3	50.0%
Finance/Insurance	36	38	36	-	0.0%
Real Estate	33	26	23	(10)	-30.3%
Prof/Tech Svcs	32	27	23	(9)	-28.1%
Management	2	2	4	2	100.0%
Admin Svcs	31	33	20	(11)	-35.5%
Education	5	5	5	-	0.0%
Health Care	54	49	51	(3)	-5.6%
Arts/Entertain	7	9	10	3	42.9%
Accomodation	61	57	60	(1)	-1.6%
Other/ Services	76	74	77	1	1.3%
Auxiliaries	1	1	N/A	N/A	N/A
TOTAL	**683**	**653**	**633**	**(50)**	**-7.3%**
Employment	***11,100***	***11,431***	***9,366***	***(1,734)***	***-15.6%***
Payroll ($1,000)	***287,637***	***298,258***	***269,545***	***(18,092)***	***-6.3%***

Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.

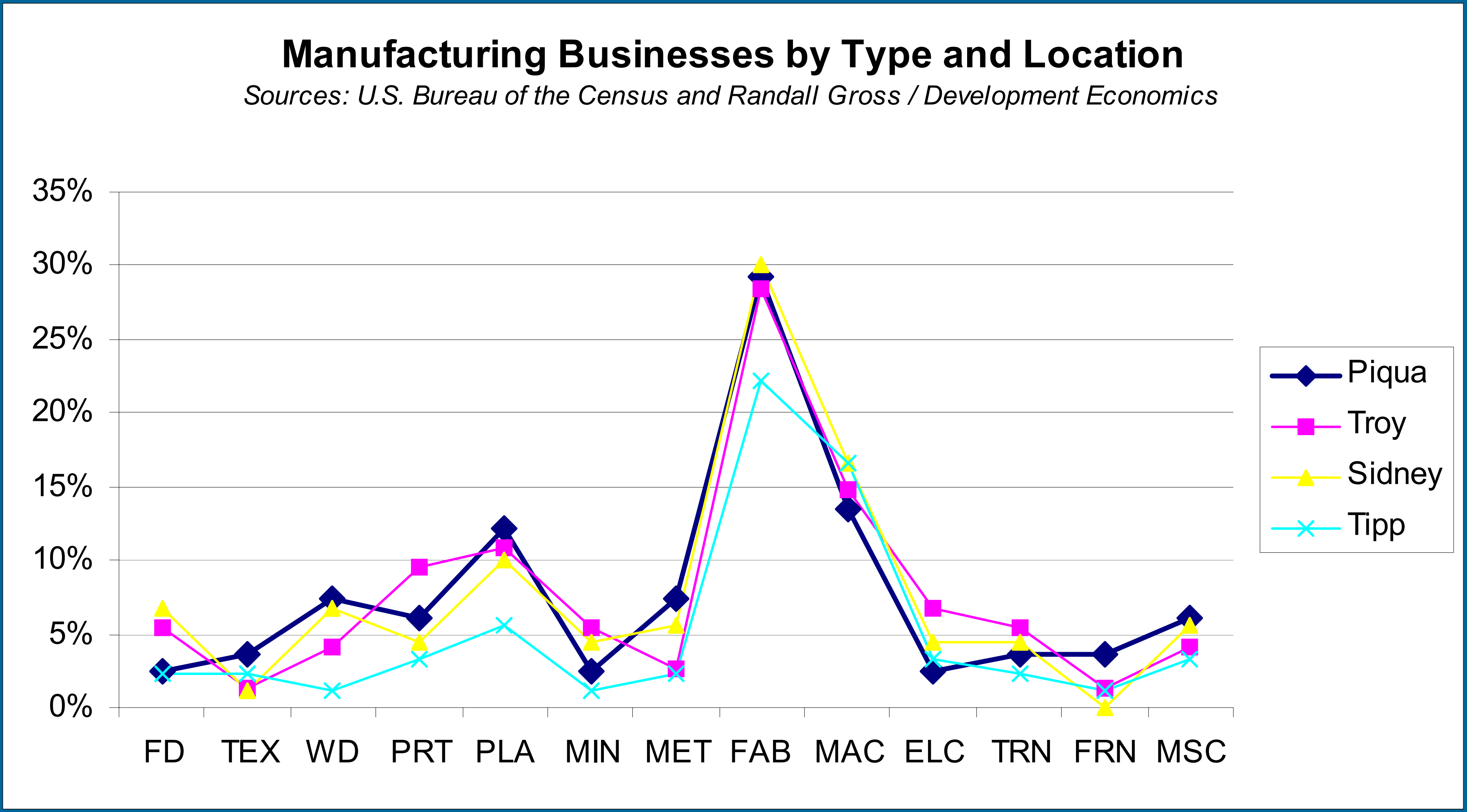
Existing Conditions – Piqua Manufacturing

Table. **AT-PLACE MANUFACTURING BUSINESS TRENDS, PIQUA, 1998-2004**

Industry	1998	2004	1998-2004 Change Number	1998-2004 Change Percent
Food 1/	4	2	(2)	-50.0%
Textiles/Apparel 2/	2	3	1	50.0%
Wood & Paper 3/	7	6	(1)	-14.3%
Printing 4/	6	5	(1)	-16.7%
Plast/Chem/Rbr 5/	11	10	(1)	-9.1%
Mineral Prods 6/	2	2	-	0.0%
Steel, Metals 7/	7	6	(1)	-14.3%
Fabricated Metal 8/	23	24	1	4.3%
Machinery/Equip 9/	13	11	(2)	-15.4%
Electronic/ical 10/	1	2	1	100.0%
Transport Equip 11/	1	3	2	200.0%
Furniture 12/	3	3	-	0.0%
Misc Mfg 13/	5	5	-	0.0%
TOTAL	**85**	**82**	**(3)**	**-3.5%**

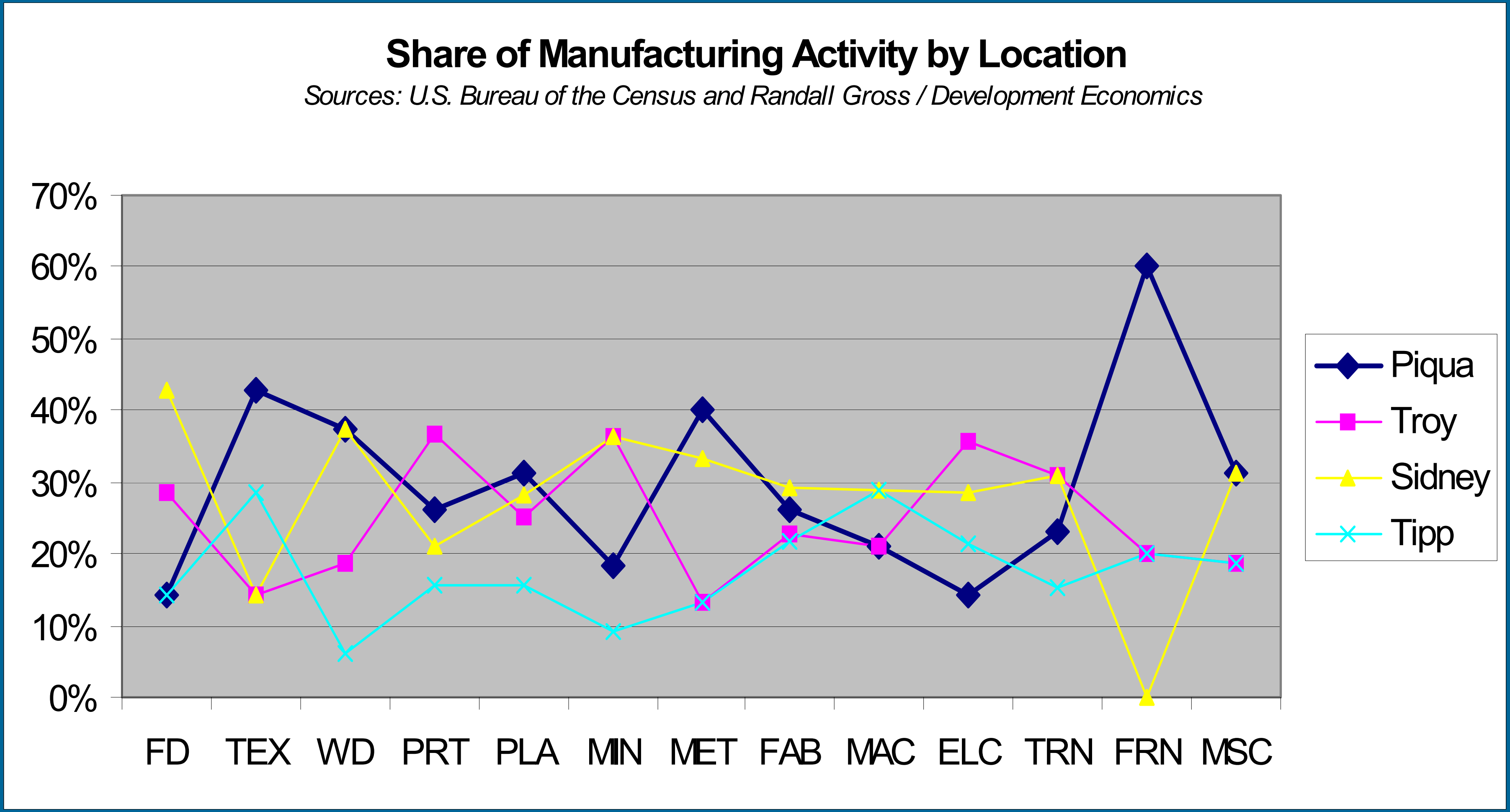
Corridor Manufacturing Base

Industry Share of Each Community's Business Base

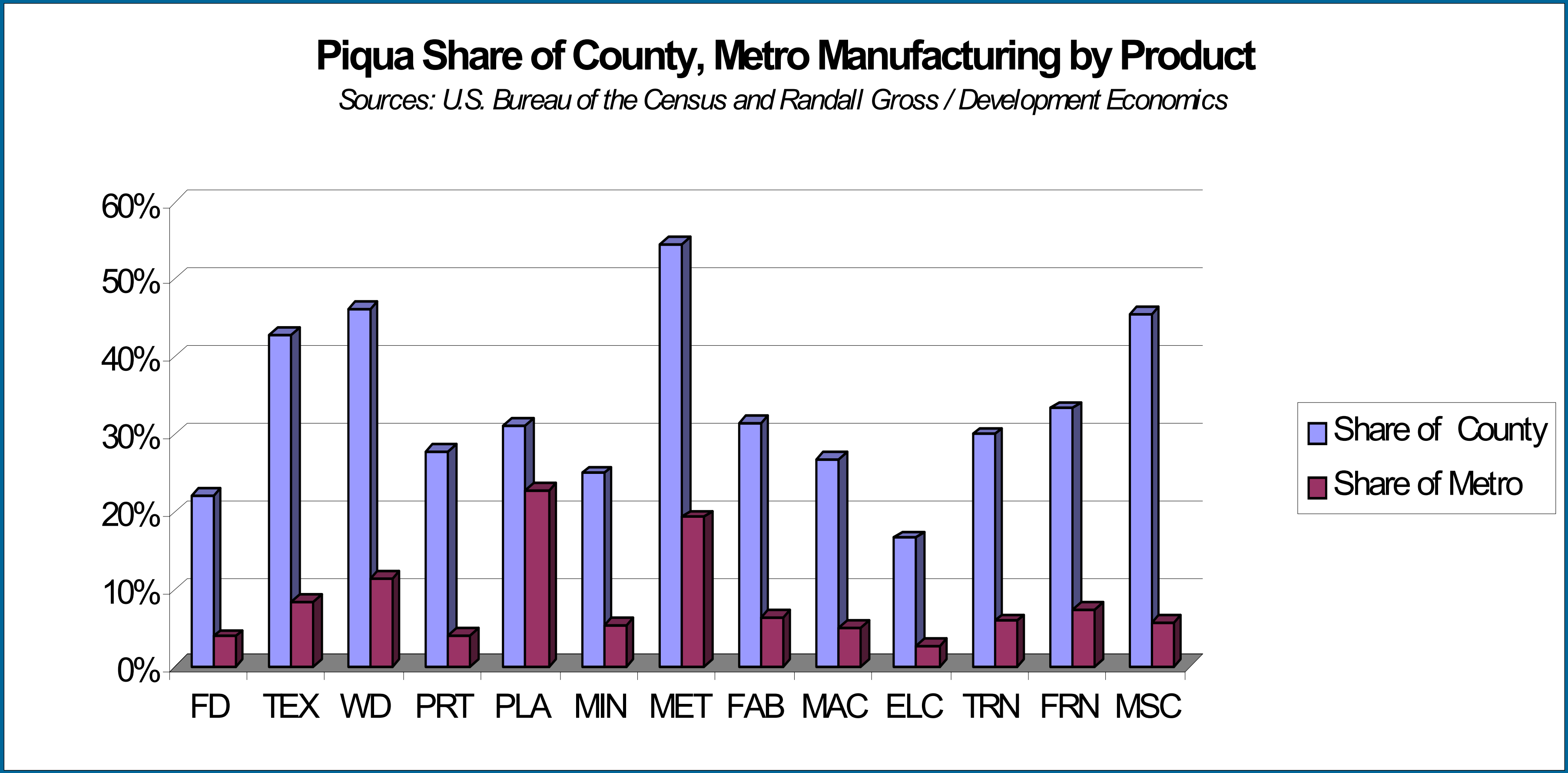


Corridor Manufacturing Activity by Location

Community Share of Corridor for Each Industry



Piqua - Role In Regional Manufacturing Base



Establishment Location Quotients

Table. **ESTABLISHMENT LOCATION QUOTIENTS: PIQUA & MIAMI COUNTY VS METRO DAYTON**

Industry	**Miami County**	**Piqua-Miami**	**Piqua-Metro**
Food	0.83	0.70	0.58
Textiles/Apparel	0.92	*1.34*	*1.23*
Wood & Paper	*1.18*	*1.45*	*1.70*
Printing	0.70	0.87	0.61
Plastics/Chem/Rbr	**3.42**	**0.98**	**3.35**
Mineral Prods	*1.02*	0.78	0.80
Steel, Metals	***1.67***	***1.71***	**2.86**
Fabricated Metal	0.97	0.99	0.96
Machinery/Equip	0.89	0.84	0.75
Electronic/ical	0.75	0.52	0.39
Transport Equip	0.92	0.94	0.87
Furniture	*1.06*	*1.04*	*1.11*
Misc Mfg	0.60	*1.42*	0.86

Source: Randall Gross / Development Economics.

Competitive Strengths Assessment

- **Transport & market access**
  - •I-75 & I-70
  - •National distribution access
  - •Dayton Airport
- **Labor force & skills base**
  - •Unemployment & labor availability
  - •High machine skills base, but need for more
  - •Lack of professional engineers
- **Education system**
  - •Lower-than-average level of education (fewer MAs, more HS)
  - •Improving education scores (“effective,” up from “continuous improvement)
  - •Home of Edison Community College / Upper Valley JVS
- **Utilities**
  - •Relatively cheap power, but those contracts are over
- **Amenities**
  - •Good recreation facilities, trail plans
  - •Library planned & downtown Main Street efforts
  - •Lack of restaurants, cultural & entertainment activity, nightlife
- **Business Resources & Overall Business Climate**

•Industrial property

- 4.5 – 5.5 million square feet.
- 18 - 21% vacancy (but includes 416,000sf LTV-Copperweld and several other large single-tenant buildings)
- Seven distinct industrial areas, but lack of definition
- 90-100% build-out of land in most industrial areas.
- Few planned industrial / business parks
- Industrial area located on opposite side of town from I-75
- Few available competitive spec industrial buildings (which is how Sidney has attracted industry)
- Relatively low rents ($3.25 - $4.70)

Business Perceptions:

Surveys and Interviews

- **Strengths**
  - **Labor Force**
    - **Strong Work Ethic, Availability, Relevant Skills**
    - **Lack of competition for labor supply**
  - **Relatively Low Electric Rates**
  - **Relatively Low-Cost Real Estate**
  - **Central Location (Day's drive of 70% US Pop)**
  - **Ohio is hub for metals industries**
  - **Municipal Officials' willingness to help**
- **Weaknesses**
  - **Lack of amenities (restaurants, nightlife, culture, etc)**
  - **"Parochial" attitudes**
  - **Lack of qualified machinists, industrial engineers**
  - **Negative <u>perceptions</u> of school system**

Input-Output Assessment

- Input Sources
  - Local / Midwest
    - Packaging, Chemicals, Aluminum / metals
  - South
    - Paper, hardware
  - West
    - Food, composite materials

- Key Markets
  - Ohio / Midwest
  - Area transport equipment manufacturers
  - Food companies
  - Large individual contracts

Industrial Growth Assessment

- Plastics
  - Dayton region performed better than nation
  - Water, power, & market (transport & food)
  - Underrepresented growth sectors: plumbing fixtures, urethane, and plastic pipe
- Primary Metals Industries
  - National & regional stagnation
  - Some regional niche strengths – rolled steel shape mfg
- Furniture
  - Dramatic (60%) regional decline since 1998 (Metal office furniture)
  - Local strengths for wood furniture (e.g., children's furniture, kitchen cabinetry, etc)
- Wood
  - Niche growth markets = truss, windows & doors, prefab wood buildings, etc
  - Dependent on construction industry
- Textiles & Apparel
  - Collapse in US apparel industry (-60%) due to competition
  - Shift to capital and away from employment
  - Historic ties to Piqua, but small-scale industry in Ohio
- Electronics & Electrical Equipment
  - US employment down 34% but Ohio fared better
  - Stable industries include electromedical equipment mfg

Key Target Opportunities

Manufacturing

- Plastic films, packaging
- Plastic pipes & plumbing fixtures
- Specialty plastic components (e.g., transport, medical equipment)
- Dyes, inks (specialty chemicals)
- Metal stampings, fittings, hardware (transport equipment)
- Computer hardware
- Wood cabinets, doors, & furnishings

Other / Non-Manufacturing (Diversification)

- Tourism / travel services ("snowbird/sunbird" orientation)
- Back office (processing, credit & client services, etc)
    - Issue of off-shoring for customer services
- Emerging fuel technologies
    - Issue of competition, capital investment, and reliance on high petroleum prices to support market

Housing – Key Issues

- Negative perceptions
  - Concentrated poverty & "affordable" housing
  - Lack of executive housing
  - Lower-quality housing
  - Impact of school & crime perceptions on market
- Housing diversity
- Existing housing conditions / conversions
  - Management of rental units in SF houses
  - Age & marketability of housing stock
  - Density & crowding
  - Historic district

Existing Conditions

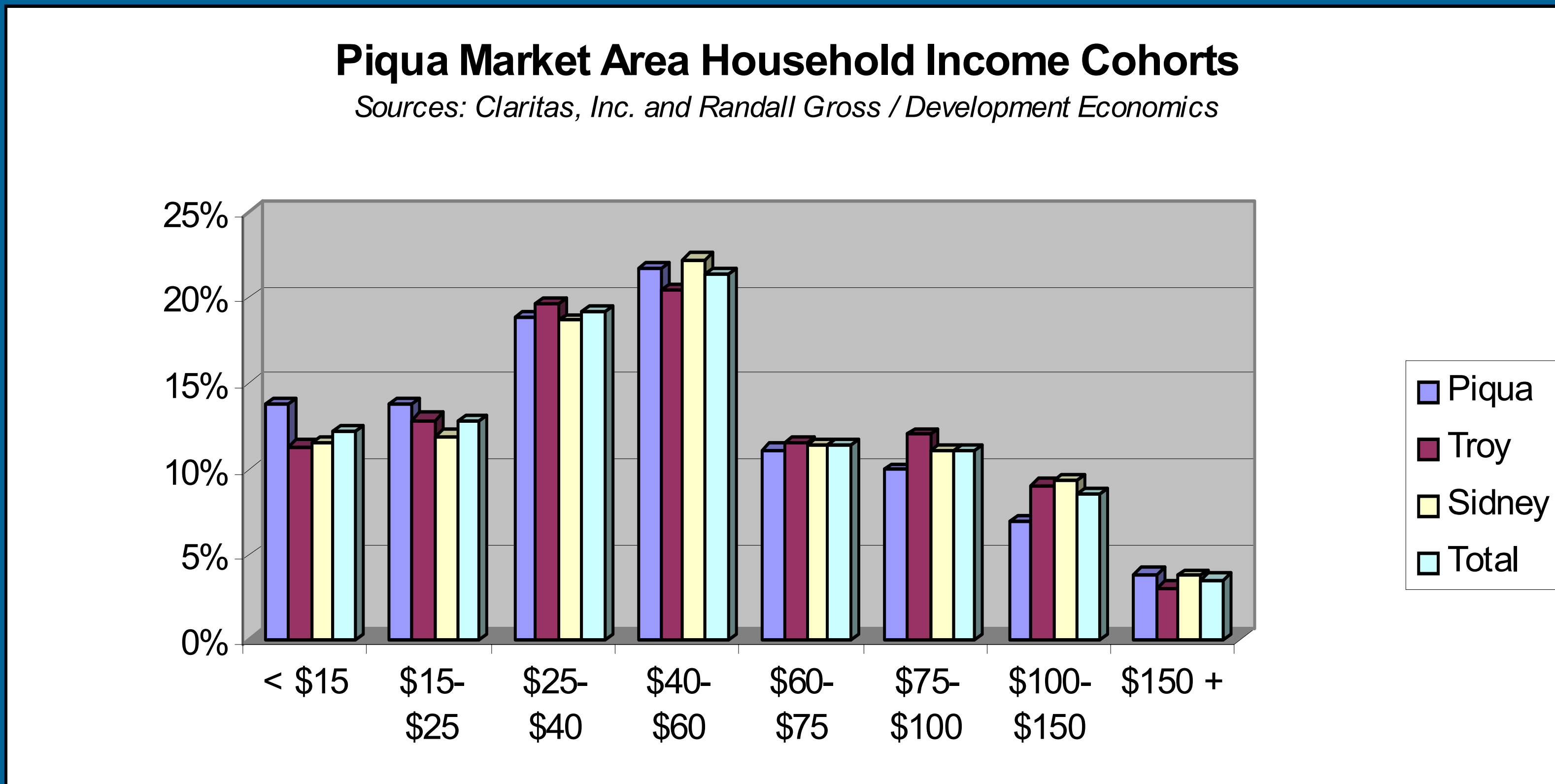
- Homeownership
  - Higher than ave for region, but low for Midwest
  - 35% of rental units concentrated in older, single-family homes
    - Vs 18% Tipp City, 25% Troy/Sidney
    - Code enforcement issues
    - Management inefficiencies
- Vacancy
  - Exceeds that of neighboring cities
- Age of stock
  - 40% built prior to 1939.
    - Vs 21% in Tipp City & Troy
    - Maintenance issues increase with age
    - Less competitive and marketable

- Sales prices & rents
  - Sale prices lower than neighboring communities
    - Only 65% of Tipp City prices
    - Impact of distance (urban economics)
    - Impact of age
  - Rents on par with neighboring communities
    - Incentive for property owners and investors to rent
- Incomes and poverty level
  - Incomes lower, poverty level (12%) higher – impacts on housing
- Construction trend
  - About 50 units permitted per year
  - 15% of Miami County permits but only 72% of Piqua's share of Miami County's overall housing stock.

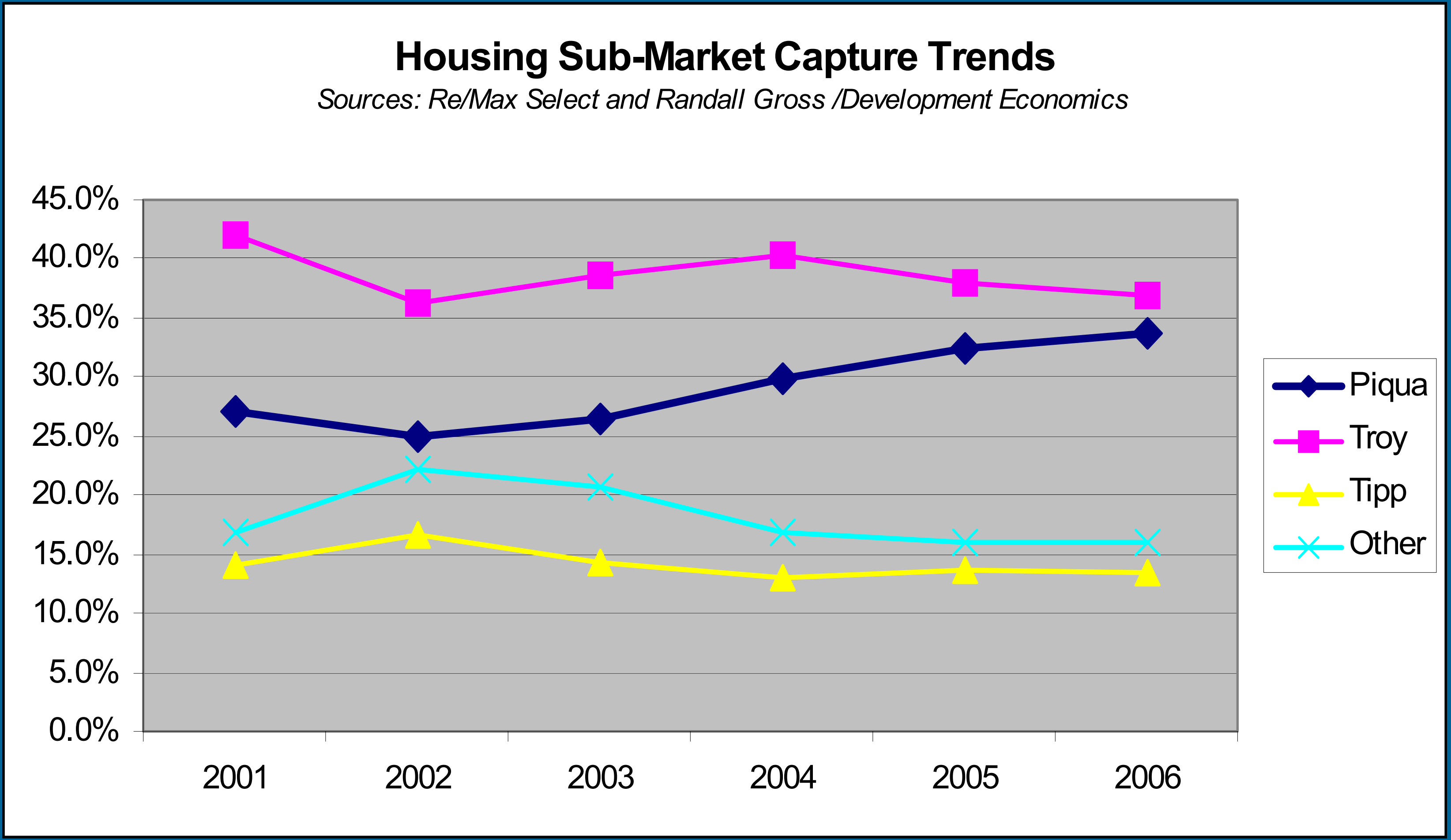
Demographic Analysis

- Population & Households
  - Pop declining, but households increasing
    - Continued decrease in household size
    - Downward Trend will slow, with modest growth by 2011
  - Same trend in Troy and Sidney
  - Growth in southern / other Miami County
- Mobility
  - 8% move per year
    - 5% in county, 3% from elsewhere
- Income
  - Incomes fell by 8% in real terms since 2000
  - But expected to increase 6-9% by 2011

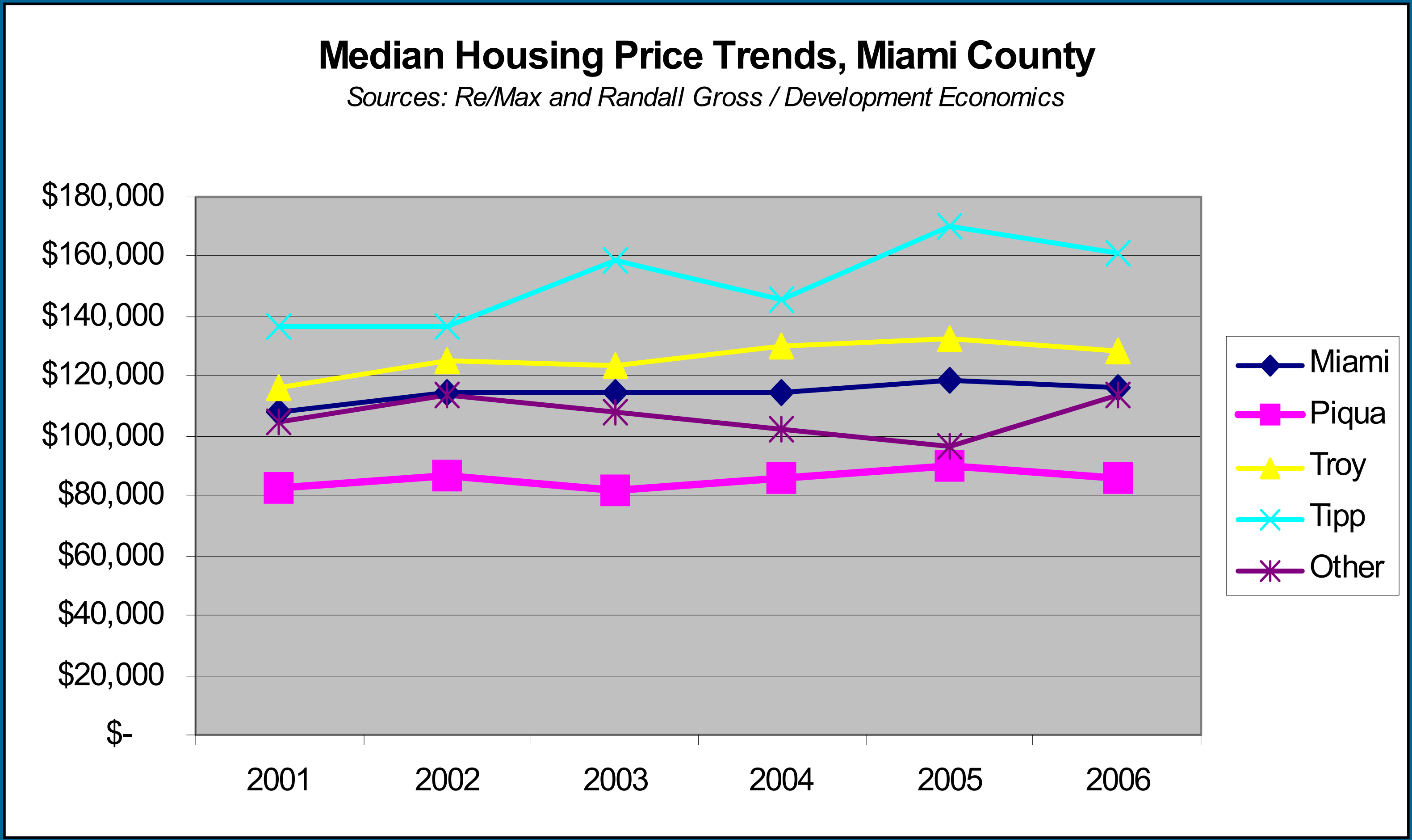
Income Cohorts



Housing Market Trends



Housing Sales Price Trends



- Price escalations at 60-year peak nationally during this period.
- Piqua prices fell short of 2.0% historic annual growth rate in US prior to 2000.

Existing Product & Market Niches

- Existing product
  - New "Executive" housing (e.g., Eagle's Nest) & other single-family homes
  - Townhouses & attached patio home condos
  - Rental apartment complexes & townhouse-style rentals (e.g., Brookwood Place)
  - Historic district
  - 1930's SF central city neighborhoods
- Existing niches
  - 60% "move-ups"
  - 30% "move-downs"
  - 10% relocations

Housing Demand

- Housing market area
  - Piqua
  - Secondary area – Troy / N. Miami & Sidney
- Baseline housing demand
  - Total market area = 780 units by 2011
  - "Fair share" analysis:
    - Piqua = 230
    - Troy = 375
    - Sidney = 175
  - Tenure: 160 – 200 for-sale units + 50-60 rentals
- Pricing
  - Demand for 100 units in $126,800 - $195,100 range
  - "Fair Share" threshold of 30 more affordable units
- Competition
  - New housing development in Troy, Tipp City, elsewhere

Next Steps

- Land use fiscal cost-benefit analysis
  - Fiscal structure & trends
  - Cost-benefit of each land use
- Strategic Recommendations
  - Industrial development
  - Housing
  - Land use, relating to fiscal implications

Thank You