



Hamilton County

Board of County Commissioners

Greg Hartmann
President
Phone (513) 946-4405
Fax (513) 946-4404

Chris Monzel
Vice President
Phone (513) 946-4409
Fax (513) 946-4407

Todd Portune
Phone (513) 946-4401
Fax (513) 946-4446

Room 603
County Administration Building
138 East Court Street
Cincinnati, Ohio 45202

TDD/TTY (513) 946-4719
www.hamilton-co.org

Christian Sigman
Administrator
Phone (513) 946-4420
Fax (513) 946-4444

Jacqueline Panioto
Clerk of the Board
Phone (513) 946-4414
Fax (513) 946-4444

MEMORANDUM

TO: Commissioner Chris Monzel
Commissioner Todd Portune

FROM: Commissioner Greg Hartmann

CC: Christian Sigman

DATE: October 26, 2011

RE: Economic Development Funding Recommendations for 2012

Please review the attached information regarding recommendations for economic development funding levels in the 2012 budget. Based upon County Administration's revised budget estimates for 2012 announced earlier this week, I recommend allocating additional funding for economic development activities in the 2012 budget as follows:

- **Hamilton County Development Company: \$653,000**
As the primary agency providing day-to-day economic development services for the County, HCDC provides critical business retention and expansion services for firms looking to grow locally. This funding includes an **increase of \$75,000**, based on revised budget estimates, from 2011 in order to offset reduced Community Development Block Grant funding, and to prevent deterioration of services in the Urban Land Assistance Program and other business retention activities.

- **Cincinnati USA Partnership: \$135,000**

The Partnership serves as the first stop for businesses looking to locate or expand within our tri-state region. As the southwest Ohio access point for the State's new JobsOhio economic development program, the Partnership is expected to handle at least 500 project leads for the region annually. This funding includes an **increase of \$110,000**, based on revised budget estimates, which the Partnership estimates will lead to the creation or retention of over 10,000 jobs in Hamilton County.

- **Port of Greater Cincinnati Development Authority: \$700,000**

Within the County's economic development framework, the Port's activities focus on strategic land development. This funding includes an **increase of \$175,000**, as referenced in the County Administrator's budget, to allow the Port to continue its important development work while expanding to include the management of the Land Bank and other critical improvement projects for the County.

I have attached further information regarding regular economic development activities and performance metrics provided by HCDC, the Partnership and the Port Authority for your review.

Hamilton County Development Company – Economic Development Office

2012 Recommended General Fund Allocation: \$653,000

The Economic Development Office of the Hamilton County Development Company serves as the primary agency providing day-to-day economic development services for Hamilton County. The organization has developed a core competency of working with, and serving as a key technical advisor, to the majority of political subdivisions in the County on economic development matters. Additionally, HCDC is a private/non-profit organization which provides a unique ability to deal with private entities and clients outside of the public realm. Services provided to the County and its communities include:

- General business retention and expansion services on behalf of the County.
- Administration of tax incentive programs: enterprise zones and CRA's (community reinvestment areas)¹ designed to facilitate and encourage business investment and expansion in Hamilton County.
- Administration of the County's Urban Land Assistance Program (ULAP), providing communities with grant resources to facilitate the initial stages of redeveloping vacant and blighted properties with an emphasis on commercial areas and business districts.
- Staffing and administration of the County's Community Improvement Corporation which is housed under the umbrella of HCDC. The CIC serves as the County's agent for marketing and redeveloping County-owned property and assets in addition to facilitating various conduit bond issuances on behalf of eligible private entities.
- Provision of general as well as focused, issue specific technical assistance to communities in Hamilton County relating to economic development.
- Maintaining a data base of available sites and buildings and responding to requests for site information.
- Administering Community Revitalization Studies targeted to vacant or under-performing commercial areas.

Over the past five years, HCDC activities have resulted in direct commercial investment of \$660 million and the creation and retention of approximately 13,000 jobs. Annual statistics for 2010 are as follows:

Annual Results (2010)

Business Investment Facilitated:	\$141 million
Jobs created/retained:	6,734
Urban Site Redevelopments (ULAP):	7 fundings ²
Business Corridor Studies Funded ³ :	3
Business Retention Visits Held:	75

Aside from the activities of the Economic Development Office, HCDC also provides financing to small businesses and a business incubator program designed to nurture entrepreneurship and business start ups. Results of these programs for fiscal year 2010 are as follows:

Small Business Loan Activity Initiated:	\$18.7 million (20 loans)
Financing Secured for Incubator Clients:	\$6.5 million (45 tenants)

**HCDC will receive an additional \$75,000 in their general fund allocation to ensure no deterioration of services due to a reduction made in their Community Development Block Grant (CDBG) funding. This additional funding will assist with the continued administration of the ULAP program and other business retention activities as a feature of HCDC's 2012 Comprehensive Economic Development Strategy.

¹ Companies with active agreements are responsible for more than \$1.36 billion in investment and more than 14,000 jobs retained and created.

² Projects took place in the following communities: Silverton, Mt. Healthy, Golf Manor, St. Bernard, North College Hill

Cincinnati USA Partnership

2012 Recommended General Fund Allocation: \$200,000

The Cincinnati USA Partnership represents a 15 county region in Southwestern Ohio, Northern Kentucky and Southeast Indiana. The Partnership serves as a first stop for firms looking to locate to or expand within the organization's service area. The Partnership serves, in essence, as a marketing and branding force for the region – funneling contacts it receives regarding siting/ location or expansion to local economic development officials for more focused attention.

Additionally, the Partnership has been designated, by Governor Kasich, as the southwestern Ohio access point of the State's JobsOhio initiative which will focus on retention and expansion efforts, via industry clusters, and will position the Partnership as the gateway for state incentives for Hamilton, Brown, Butler, Warren and Clermont Counties.

The Partnership is also the primary entity in the region focusing on business attraction/outreach - providing the region with branded recognition on the domestic and international stage and also operates "GrowthForce" a program designed to help accelerate the growth, expansion and retention of existing businesses. The Partnership recently received a \$250,000 grant to help spur business retention as well as a \$250,000 grant to enhance the Region's designation as a Consumer Marketing Hub.

Results (2010) - \$25,000 General Fund Allocation

Projects won:	12
Jobs Created:	485
Investment Spurred:	\$43.7 million
Leads Generated:	76
Businesses Retained:	406

2012 Recommended General Fund Allocation - \$135,000

As a JobsOhio network partner, the Partnership is expected to handle 500+ project leads for the region annually:

Business Attraction: 120 leads, 30 completed projects and 2,250 new jobs

2,250 new jobs x 60% = 1,350 jobs
(at \$75K average salary = \$100 million in payroll)

Business Retention/Expansion: 450 leads, 110 completed projects, 18,300 retained jobs and 8,775 new jobs
Assuming Hamilton County maintains its historical share of total jobs created in the Region (approximately 60%), the annual impact would be:

27,075 retained/new jobs x 60% = 16,245 jobs
(at \$50K average salary = \$800 million in payroll)

*Beyond base job creation, the County would also benefit from the private sector investment behind all job creation projects.

Port of Greater Cincinnati Development Authority
2012 Recommended General Fund Allocation: \$700,000

The Port Authority's role in recent years has been to serve as the primary entity in Hamilton County facilitating the redevelopment of brownfield sites through acquisition of Clean Ohio grants, and to finance various development projects through the issuance of revenue bonds. In the County's economic development framework, the Port's activities focus around **strategic land development** whereas other entities focus more heavily on working directly with business/industry to facilitate expansion and investment.

Results (Cumulative, over last eight years through 2010, unless noted)

Clean Ohio Grants Received:	10
Total Grant Dollars Received:	\$11.47 million
Financings (through 2008):	9
Total Financings:	\$440 million
Jobs Created/Retained:	30,162
Annual Economic Impact:	\$3.75 billion

Examples of Recent Port Project Financings Include:

Queen City Tower (Downtown)

Revenue Bonds issued to support construction of 800,000 sq. ft. office tower, 11-story parking garage.

Redbank Village (Fairfax)

Revenue Bonds issued to finance public improvements to 35 acre commercial/retail development.

Kenwood Towne Place (Sycamore Twp)

Revenue Bonds issued for construction of parking garage to support commercial/retail overbuild separately financed by landowner.

Pictoria Corporate Center (Springdale)

Revenue bonds issued to support construction of parking garage serving 250,000 square foot office complex.

Examples of Recent Brownfield Projects Include:

Stearns and Foster (Lockland)

Funds received for demolition and remediation of 5 acres of east side of former mattress factory.

Sara Lee/Kahn's

Funds received for demolition and remediation of 16 acres of former meat packing facility in Camp Washington.

Harrison Terminal Building

Funds received for environmental assessment for former warehouse and manufacturing facility.

American Can

Remediation of former manufacturing facility for conversion to market rate apartments.

Hamilton County Regional Business Park

Remediation of former manufacturing facility for development into office, industrial, and warehouse space.

Port of Greater Cincinnati Development Authority (cont)

As noted above, over the past two years, the Port Authority has provided significant assistance to the County in applying for and receiving Clean Ohio grant funding for the remediation and redevelopment of the Sara Lee/Kahn's site and for partnering with the County for the remediation of the Stearns & Foster site in Lockland. This activity has occurred while the market for financings has declined with the recession. In addition to the Clean Ohio Grants, two additional grants, being managed by the Port, will provide significant benefit to the County in 2011. The first is a \$1 million USEPA grant to perform brownfield assessments in Hamilton County. The second is a \$1 million ODOT TRAC grant to provide initial engineering for solutions to rail congestion problems through the Mill Creek Corridor.

The most recent agreement between the County and the Port will also include designation of the Port as the operating agent for the County Land Reutilization Corporation and as the focal point of spurring improvements to the County's intermodal transportation network and exploration of a public port.