

Economic Growth



VII. Economic Growth

A snapshot of comments from Sidney Survey Respondents:

"Sidney is fighting for its future like many small towns in the U.S. It has to find ways to differentiate itself and provide value to companies or individuals considering locating in Sidney. The city government has to be much more pro-active in its efforts to develop this city for the future."

"The businesses that are downtown are rarely open on Saturday afternoon or Sunday when most people are off of work. If we're going to revitalize downtown, the shop owners have to be on board."

"We need to offer incentives to businesses to build the downtown. We lose a lot of business/traffic to downtown Troy and Tipp City."

"We should promote professional companies and bring in professional, degreed, or highly skilled, career-oriented people. This could promote more affluence and better wages, which would in turn, benefit Sidney."

Introduction

The Sidney community is full of rich history and residents with great work ethic. The local businesses, schools and vast land resources make it a great place to live, work, and raise a family. It is extremely important that the “systems” in place that help to define community are valued as important variables within the economic development strategy.

To a great extent, economic development in the community involves the revival of its downtown, neighborhoods, riverfront, and existing commercial corridors. These assets will play an important role in revealing to the rest of the world how Sidney plans for its future.

This Plan Element identifies a set of strategies to help the City of Sidney attract and retain economic investments. In many cases, these actions will be undertaken in partnership with other local and regional development groups, such as the City’s planning department, SSEP, Workforce Partnership, the Chamber of Commerce, Shelby County government, area electric and gas utility companies, and the Ohio DSA.

Because of the efforts of these groups, Site Selection Magazine's Governor's Cup recognized Sidney in 2015 as one of top micropolitans in the U.S. with the most new and expanded corporate facility investments. A micropolitan is a city with a population between 10,000 and 50,000 people. Sidney ranked number 13 of 100 cities that the magazine classified in the U.S.

Planning Conditions

Sidney is strategically located within the I-75 corridor and the City's recent growth has been greatly influenced by the movement of people and goods northward and southward along the corridor. Because of its concentration of both business and governmental functions, the City has been historically the economic epicenter of the area. This is still true today, as there are more manufacturing jobs per capita in Sidney than in any other city in Ohio and it has a net inflow of 5,000 people who come into Sidney to work.

Many residents don't realize that Shelby County is the home of two of the top three manufacturing employers in the Dayton Region. Sidney is home to the world's largest soybean processing plant, the largest manufacturer of air conditioning compressors and

America's number one refrigerated pizza. Half of the refrigerators that are in recreational vehicles are manufactured in Sidney. Sidney's employers have a proud tradition of making things.

However, while Sidney's manufacturing section draws workers to the City, it faces strong rivalry from communities like Troy and Tipp City to be their home of residence. And with the resurgence of Dayton, it too has become a draw for younger residents and start-ups. Since 2007, roughly 3,000 manufacturing jobs have been shed from Shelby County, according to Census Bureau, and this trend is expected to continue as the manufacturing sector continues to advance technologically and "rightsize".

Income Tax Revenues

Following a projected decrease in total income tax collections of 2.5% in 2015 (due to the timing of certain corporate quarterly estimates), city officials are planning for moderate increases of revenue of 1.7 to 3.2% through 2020.

Income taxes withheld by employers on behalf of their employees in 2015 were up by 4% from 2014, which

puts the City on track to be collecting roughly the same income tax revenue than before the Great Recession hit in 2007. City officials anticipate the average annual growth rate in employee withholdings for the planning period 2016 through 2020 to be 3.25%.

Sidney-Shelby Economic Partnership (SSEP)

The SSEP is a not-for-profit organization consisting of private business and public leaders from across Shelby County who are dedicated to maintaining the county's economic growth and stability. SSEP serves Shelby County as the economic development point of contact for the county and its members. They work closely with local and state officials to make known financial and employment incentives available under Ohio law.



Business Retention and Expansion Efforts

In 2016, officials visited Advanced Composites, Detailed Machining, DRT Power Systems, Emerson Climate Technologies, Freshway Foods, MaMa Rosa's Pizza, SAPA, Norcold and NK Parts. These visits helped to nurture SAPA and Norcold to add additional

manufacturing space. Bensar Developments is also adding a new building on Howard Street that will add nearly a half-million square feet of industrial space. Other manufacturing facilities currently expanding in Sidney include additions at Advanced Composites and Electro-Controls.

City and SSEP officials make periodic visits to city employers to proactively address issues. A common theme, like in many communities, is workforce development, although many of Sidney's employers attract workers from other communities along the I-75 corridor.

Workforce Development

Workforce development is promoted in Sidney (and Shelby County) by the Workforce Partnership of Shelby County (the Partnership). Through skills-development programs, state-of-the-art classrooms and a mobile career lab, the Partnership, along with the assistance of local businesses, assist students preparing to become workforce-ready employees.

Economic Development Tools

A variety of tools are used to help promote and encourage development projects in Sidney. Local tools used consist of the CRA program, enterprise zone (EZ) program, jobs grant program, and the revolving loan fund and tax increment financing, when needed. Both the EZ and CRA programs are similar in that they provide real property tax abatement for improvements to real property made by commercial and industrial properties. The CRA is currently not being used in conjunction with residential land uses but could be used to help encourage neighborhood revitalization. These tools are promoted primarily by the City's planning department.

In addition to these local tools, economic development officials have full access to a wide array of incentives and programs offered through the Ohio DSA, Jobs Ohio and Dayton Development Commission. These tools will be valuable in helping to market the 414 acres of industrial land that was recently certified by Dayton Power & Light (DP&L) as "development ready". See Map: *Economic Development Tools* for a better understanding of the whereabouts of these areas. For

more information on the whereabouts of existing industrial areas see *Chapter: Land Use*.

Labor Force

According to U.S. Census Bureau, there are 9,199 workers (those 16 years and older in the workforce) in Sidney and 22,577 workers in Shelby County (See *Chapter: Demographics*). The local labor force has a strong work ethic. Edison State Community College and Upper Valley Career Center assist in supplying an educated local labor pool. Excellent employment opportunities have always existed in the City, but a tight labor market was indicated as a problem with the current economic climate. Employers are facing a shortage of qualified skilled trade labor and employers find it difficult to recruit employees who seek a metropolitan lifestyle due to Sidney's geographic location.

Employment Trends

The downsizing of various sectors in the region has been occurring systematically over the last decade. In fact, the manufacturing sector has been rightsizing nationally.

Employment by Occupation, 2013*

	Sidney	Shelby County	Ohio	U.S.
Civilian employed population >16 years	9,199	22,577	5,266,386	141,864,697
Management, professional, & related	2,045	6,087	1,811,034	51,341,226
Service	1,950	3,773	942,008	25,645,065
Sales and office	1,524	4,113	1,291,770	34,957,520
Farming, fishing, and forestry	53	133	16,837	1,030,881
Construction, extraction, maint., & repair	177	949	219,968	7,167,428
Production, transportation, & material m	3,151	6,623	811,773	17,057,570
Percent of Total				
Management, professional, & related	22.2%	27.0%	34.4%	36.2%
Service	21.2%	16.7%	17.9%	18.1%
Sales and office	16.6%	18.2%	24.5%	24.6%
Farming, fishing, and forestry	0.6%	0.6%	0.3%	0.7%
Construction, extraction, maint., & repair	1.9%	4.2%	4.2%	5.1%
Production, transportation, & material m	34.3%	29.3%	15.4%	12.0%

*The data in this table are calculated by ACS using annual surveys conducted during 2009-2013 and are representative of average characteristics during this period.

Employment by Industry, 2013*

	Sidney	Shelby County	Ohio	U.S.
Civilian employed population >16 years	9,199	22,577	5,266,386	141,864,697
Ag, forestry, fishing & hunting, mining	22	424	54,235	2,731,302
Construction	283	1,285	272,474	8,864,481
Manufacturing	3,107	7,608	799,513	14,867,423
Wholesale trade	404	766	144,954	3,937,876
Retail trade	756	1,794	618,184	16,415,217
Transportation, warehousing, and utilitie	378	1,056	250,263	7,010,637
Information	48	149	93,393	3,056,318
Finance and insurance, and real estate	282	785	341,805	9,469,756
Prof, scientific, mgmt, admin, & waste mg	626	1,247	482,884	15,300,528
Education, health care, & social assistanc	1,539	3,949	1,290,298	32,871,216
Arts, entertain., rec., accomodation, & fo	910	1,690	467,076	13,262,892
Other services, except public administrat	575	1,130	239,560	7,043,003
Public administration	269	694	211,747	7,034,048
Percent of Total				
Ag, forestry, fishing & hunting, mining	0.2%	1.9%	1.0%	1.9%
Construction	3.1%	5.7%	5.2%	6.2%
Manufacturing	33.8%	33.7%	15.2%	10.5%
Wholesale trade	4.4%	3.4%	2.8%	2.8%
Retail trade	8.2%	7.9%	11.7%	11.6%
Transportation, warehousing, and utilitie	4.1%	4.7%	4.8%	4.9%
Information	0.5%	0.7%	1.8%	2.2%
Finance and insurance, and real estate	3.1%	3.5%	6.5%	6.7%
Prof, scientific, mgmt, admin, & waste mg	6.8%	5.5%	9.2%	10.8%
Education, health care, & social assistanc	16.7%	17.5%	24.5%	23.2%
Arts, entertain., rec., accomodation, & fo	9.9%	7.5%	8.9%	9.3%
Other services, except public administrat	6.3%	5.0%	4.5%	5.0%
Public administration	2.9%	3.1%	4.0%	5.0%

Data Sources: U.S. Department of Commerce. 2014. Census Bureau, American Community Survey Office, Washington, D.C.

Understanding employment industries is important for planning for the future of the City. In Sidney, Manufacturing (33.8%) and Education / Health Care / Social Assistance (16.7%) rank among the most popular professions. These are followed by Retail (12.1%) and Arts / Entertainment / Recreation (9.9%). All other professions are approximately five percent (5%) or less. The City has a higher percentage of employees working in manufacturing and the transportation, warehousing, and utilities sector.

Market Analysis

A market analysis was prepared for the Sidney zip code to estimate consumer spending and overall "spending power" of Sidney consumers.

Each analysis estimated the surpluses and gaps related to 38 different merchandise lines. It indicates that Sidney's consumers spend approximately \$35,498,296 outside the community.

Data for this market analysis was derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (CE Survey) by the U.S. Bureau of Labor Statistics (BLS). The supply data is derived from the Census of Retail Trade (CRT).

The difference between supply and demand represents the "opportunity" gap or surplus available for each merchandise line. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus) for that merchandise line. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

The conclusion of the analysis indicated that opportunity gaps exist in 24 of 38 merchandise lines. This generally mirrors the gaps noted in the Ohio State University's (OSU) Retail Market Analysis prepared for the Shelby County Commissioners in 2014. This

means that residents are leaving the community to make most purchases due to the lack of shopping diversity. Two merchandise lines were identified as having regional draw in that estimated retail sales are not supported completely by local consumers. These lines were: Meals and Snacks (\$9,218,185) and Packaged Liquor/Wine/Beer (\$8,617,189).

The top five merchandise lines with opportunity gaps in Sidney are: Drugs, Health Aids and Beauty Aids (\$24,891,864), Groceries & Other Foods (\$18,418,538), Women's, Juniors', and Misses' Wear (\$5,743,771), Children's Wear (\$3,692,046), and Footwear (\$3,469,569).

City of Sidney Consumer Spending Gaps			
Merchandise Category	2016 Demand (Consumer Expenditures)	2016 Supply (Retail Sales)	Gap/Surplus
Total Retail Sales & Eating, Drinking Places	\$344,855,017	\$309,356,721	\$35,498,296
Groceries & Other Foods	\$63,186,537	\$44,767,999	\$18,418,538
Meals & Snacks	\$31,259,415	\$40,477,600	-\$9,218,185
Alcoholic Drinks	\$1,773,857	\$1,922,039	-\$148,182
Packaged Liquor/Wine/Beer	\$3,988,608	\$12,605,797	-\$8,617,189
Cigars, Cigarettes, Tobacco, Accessories	\$7,088,358	\$7,942,165	-\$853,807
Drugs, Health Aids & Beauty Aids	\$49,511,324	\$24,619,460	\$24,891,864
Soaps, Detergents & Household Cleaners	\$2,418,121	\$3,227,196	-\$809,075
Paper & Related Products	\$4,276,059	\$1,742,427	\$2,533,632
Men's Wear	\$4,297,410	\$1,078,762	\$3,218,648
Women's, Juniors' & Misses' Wear	\$7,415,837	\$1,672,066	\$5,743,771
Children's Wear	\$4,299,705	\$607,659	\$3,692,046
Footwear	\$4,673,670	\$1,204,101	\$3,469,569
Sewing, Knitting & Needlework Goods	\$351,565	\$14,922	\$336,643
Curtains, Draperies, Blinds, Slipcovers, Etc.	\$1,729,556	\$1,233,343	\$496,213
Major Household Appliances	\$3,092,181	\$4,219,476	-\$1,127,295
Small Electric Appliances	\$570,265	\$502,600	\$67,665
	\$1,856,600	\$1,681,531	\$175,069
Televisions, Video Recorders, Video Cameras			
Audio Equipment, Musical Instruments	\$645,756	\$352,218	\$293,538
Furniture & Sleep Equipment	\$5,895,748	\$9,077,056	-\$3,181,308
Flooring & Floor Coverings	\$1,379,321	\$969,738	\$409,583
Computer Hardware, Software & Supplies	\$2,548,575	\$2,047,505	\$501,070
Kitchenware & Home Furnishings	\$3,067,906	\$1,846,067	\$1,221,839
Jewelry	\$1,132,263	\$194,609	\$937,654
Books	\$1,809,587	\$325,555	\$1,484,032
Photographic Equipment & Supplies	\$268,500	\$199,989	\$68,511
Toys, Hobby Goods & Games	\$2,601,987	\$1,357,731	\$1,244,256
Optical Goods	\$1,155,036	\$1,624,586	-\$469,550
Sporting Goods	\$2,173,033	\$1,557,343	\$615,690
RVs, Campers, Camping & Travel Trailers	\$2,200,493	\$2,837,396	-\$636,903
Hardware, Tools, Plumbing, Electrical	\$4,991,347	\$3,518,558	\$1,472,789
Lawn/Garden/Farm Equipment/Supplies	\$3,414,154	\$9,171,966	-\$5,757,812
Lumber & Building Materials	\$2,478,277	\$1,256,771	\$1,221,506
Paint & Sundries	\$1,043,348	\$1,149,026	-\$105,678
Cars, Trucks, Other Powered Transportation	\$54,609,667	\$59,375,549	-\$4,765,882
Automotive Fuels	\$41,240,289	\$42,055,781	-\$815,492
Automotive Lubricants	\$230,312	\$451,224	-\$220,912
Pets, Pet Foods & Pet Supplies	\$4,897,064	\$3,834,161	\$1,062,903
All Other Merchandise	\$15,283,286	\$16,634,752	-\$1,351,466
This data is derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (U.S. Bureau of Labor Statistics). The supply data is derived from the Census of Retail Trade (U.S. Census). The difference between demand and supply represents the opportunity gap or surplus available for each merchandise line.			

Strategies

The planning stakeholders selected the following strategies for implementation:

1) Continue business expansion and retention efforts.

Sidney's first and foremost economic policy should be to preserve its existing base of businesses and industries. Manufacturing has a larger multiplier effect than any other major economic activity, and it is estimated that for every \$1.00 spent in manufacturing generates \$1.35 in additional economic activity in the community. To help advance economic development efforts, the City works with the SSEP to provide these Business Retention and Expansion (BRE) efforts and assist businesses with issues such as incentives, workforce, site selection, utility services, and permitting.

To assist these efforts, City officials could allocate additional resources to the City planning office to provide additional oversight to community development, which is another vital component of economic development in that it works to support the ingredients that are attractive to economic

development like infrastructure and neighborhoods. There are a variety of other state and federal assistance options that the City could benefit from if additional assistance was available.

Another great business retention tool would be a continued "Shop Local" campaign that's being utilized by the Chamber of Commerce and Sidney Alive. Nothing retains businesses in the community quite like shopping local does.



2) Target businesses and services identified as "opportunity gaps" in the market analysis.

The results of the community survey verified the long-standing opinion from residents that additional dining, shopping, and entertainment opportunities are desired in Sidney. In fact, when asked to rank various community qualities, shopping, dining, and entertainment opportunities ranked last (and are therefore most desired).

The market analysis prepared for this Plan indicates that drug stores, grocery stores, women's / kid's clothes / footware, and niche retail shops have the greatest demand in the community, and the report also indicated how much regional draw restaurants and other eateries have in the community. It is recommended that City officials could use this information and target businesses and services identified as "opportunity gaps" in this market analysis and try to locate them in the downtown footprint.

3) Create an economic development strategy that addresses tourism, entrepreneurial development, and business attraction marketing.

Tourism can help local economies grow by bringing new outside income into the local market. This income is spent by visitors to purchase entertainment and recreational services, food, parking services, transportation, hotel and lodging, and a myriad of other items. These expenditures stimulate job creation in local industries, and they contribute to tax revenue generation for local public services.

City officials, working in conjunction with the Sidney Visitor's Bureau and other interested parties, should continue to utilize targeted marketing strategies to encourage people to visit local historic sites and landmarks, shop, attend festivals and special events, and other activities. Sidney should continue to cooperate with the surrounding counties and other regional communities to market itself as a distinct and interesting destination that is a part of a larger marketing and visitation package.

The last Plan recommended that efforts be taken to add a cinema and a drafthouse to the downtown, and both entities have since surfaced in the past few years with Brew Nation and the revitalization of the Historic Sidney Theater. These entities, along with an expanded library are helping to provide a catalyst for continued progress.

4) Inject community and neighborhood development strategies into the City's overall economic development framework.

Sidney will be best served by a holistic approach to economic development. A better strategy to encourage economic development opportunities may be to focus

on providing high quality basic services such as K-12 education, healthcare, utilities, infrastructure, and neighborhood, recreational and environmental improvements.

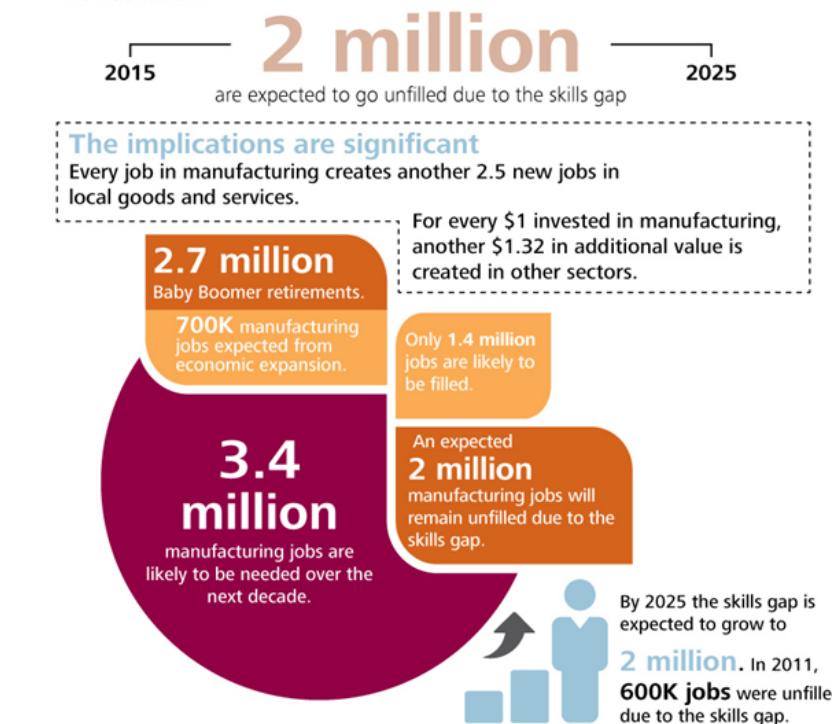
This Plan encourages the heightened cooperation and collaboration of related agencies beginning with local service providers like the library, YMCA, and the Sidney School District, Lehman Catholic and Christian Academy. These organizations all play an important role in community building, and they should be integrated into the holistic development approach this Plan supports. If this approach is aggressively pursued, it will help to attract new residents that long for a revived historic downtown, well-accessed riverfront, and improved neighborhoods.

These quality-of-life improvements, over time, will continue to make Sidney more attractive to both existing and potential residents and employers. Therefore, investments in "product development" will make each community much easier to market and sell. The irony is that strategies emphasizing community development ultimately make each community much more attractive in the competition for the large production plants they covet.

5) Collaborate with local and regional educational institutions to support workforce development for specific industry needs.

According to the local business officials, workforce development issues, the "skills gap" and the lack of trained employees is affecting certain employers in the community. City officials, along with the stakeholders that developed this Plan, desire to heighten the awareness of this issue in conjunction with area and regional educational institutions like Upper Valley Career Center and Edison State Community College.

Over the next decade, nearly 3.5 million manufacturing jobs will likely be needed and



Graphic: Deloitte University Press | DUPress.com

It is recommended that City officials could continue to utilize and expose the Ohio Incumbent Worker Training (OIWT) and Ohio Investment Training voucher programs to city employers in the areas of Advanced Manufacturing, Aerospace & Aviation, Automotive, BioHealth, Corporate Headquarters, Energy, Financial Services, Food Processing, Information Technology and Services, Polymers and Chemicals, Back Office, Logistics, or Research and Development.

These voucher programs provide financial support of up to 50% reimbursement for instructional costs, materials, and training related activities. In the case of the OIWT program, the voucher is limited to \$4,000 per employee and up to 50% of the workforce. The business is reimbursed after it pays for full training.

6) Improve civic infrastructure, essential for community and economic development to provide a platform for the open exchange of ideas.

Improving the accuracy and availability of information is a valuable element in marketing the community for economic development purposes and for the improvement of Sidney's neighborhoods. Currently,

the City's Geographic Information System (GIS) division provides Sidney with the ability to create, modify, and proactively share this information. It is recommended that City officials continue to use this service to make the community development process as visual as possible.

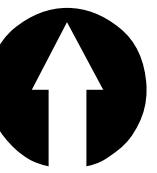
It is also important for City officials to continue to survey residents and businesses to identify key issues and potential opportunities. The community survey and market analysis that accompanied this Comprehensive Plan update asked respondents their feelings concerning government services and other community amenities. A similar survey can be done to survey residents as to their business needs. This information could be important in assisting the Chamber of Commerce, existing businesses, and entrepreneurs.

7) Encourage redevelopment of commercial properties.

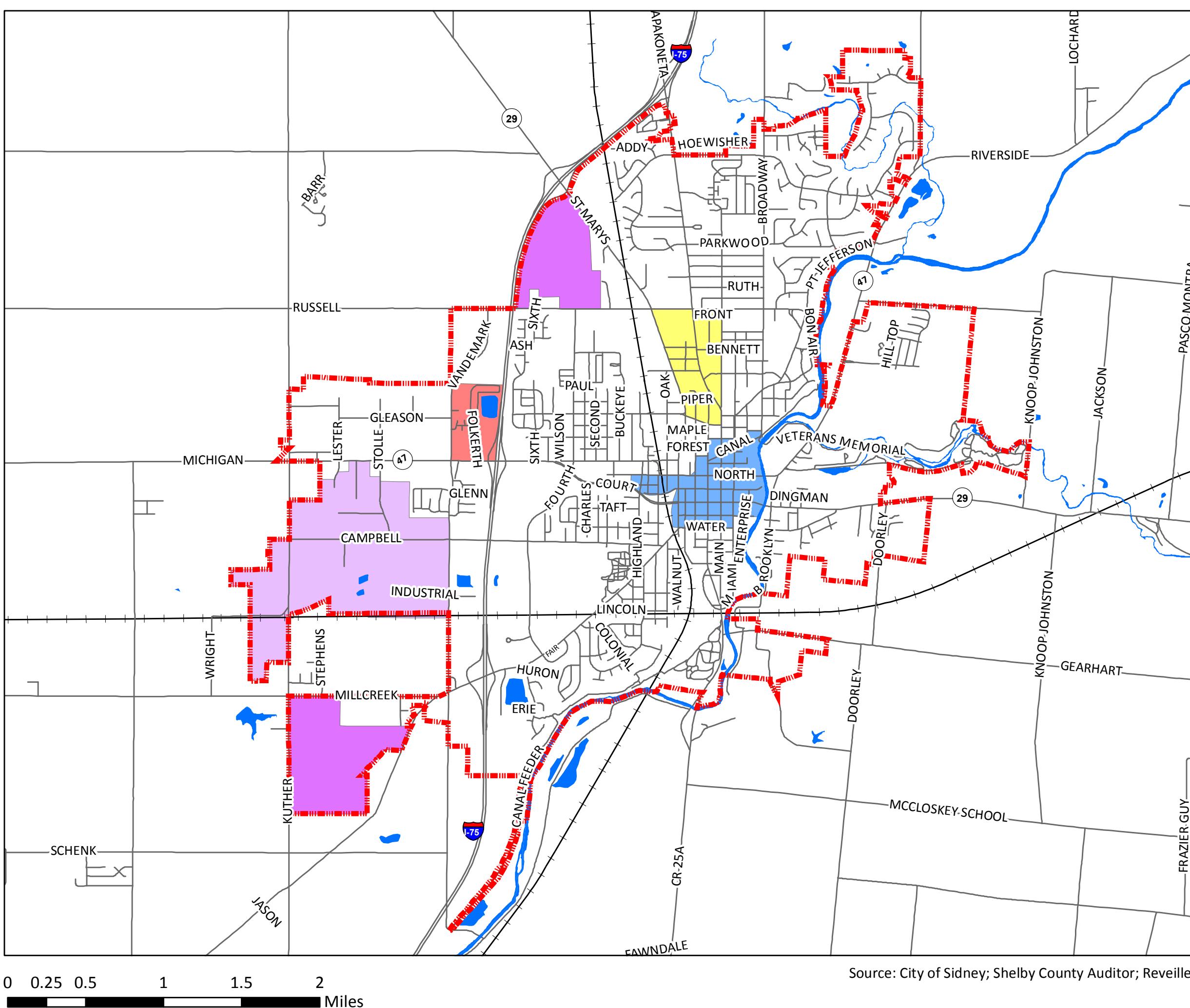
Certain areas in Sidney are in need of revitalization and should be addressed. City officials, working alongside the Sidney Shelby Partnership (SSEP), and other private/public partnerships, should work with property owners to ensure that their facilities are being properly

maintained to minimize commercial vacancies along key corridors like Wapakoneta Avenue and in the Downtown, where properties like the Ohio Building remain vacant. Site selection consultants often look at commercial vacancies in a community as an indicator that the local economy is not good for investment. City officials should also work to restructure all of its CRAs so that they can be an effective incentive tool to encourage reinvestment (See Map: *Economic Development Tools*).





Economic Development Tools



Legend

- Corp Boundary
- Great Miami River / Open Water
- Streets
- "Certified" Sites
- CRA Zone 4
- CRA Zone 5
- CRA Zone 6
- Downtown CRA (Pre-94)

Note: The entire city is designated as an Enterprise Zone.

0 0.25 0.5 1 1.5 2 Miles

Source: City of Sidney; Shelby County Auditor; Reveille