



ALLEN ECONOMIC DEVELOPMENT GROUP

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Year End Report of Activities for 2010

Submitted on behalf of AEDG Staff and Board

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President / CEO

Allen Economic Development Group

2010 YEAR END REPORT

2010 produced some very positive results for Lima and Allen County. As in past years the AEDG focus was primarily on working with existing businesses and then on the attraction of new investments to our community. The focus on the creation of new jobs is still the primary mission of AEDG.

Several projects that began in 2009 at Nash Finch, PCS Nitrogen and Wannemacher Enterprises were completed as scheduled. The second phase of the PCS project, the new office and administration building will begin construction in 2011. Late in 2010 Husky Lima Refinery began the project for the new administrative office and labs. These investments are important to the future growth of these communities.

Last year also produced some losses. DTR Industries had a workforce adjustment of about 60 people and Spencerville faced the closing of the Moeller Industries facility.

AEDG continued work with the Auto Task Force and Ford Motor Company. In December AEDG worked with the Ohio Department of Development and **Ford Motor Company Lima Engine Plant** on a Jobs Retention and Job Creation tax credit agreement that will result in 300 new jobs at the Lima Ending Plant.

Element Power Company, a Florida based alternative energy company considered Allen County as a site for a 150 acre solar project. After a competitive site selection process Element Power signed an option on 165 acres owned by the Port Authority of Allen County in Fort Shawnee for the project. It is estimated that construction would not take place for 24 to 36 months to allow time for the permitting and other regulatory requirements to be satisfied.

AEDG staff also worked with **PCS Nitrogen, Ineos and Husky Lima Refinery** and the Ohio Department of Development on accessing training funds for ongoing training and skills upgrade at these facilities. Grants of up \$90,000 per company were granted as a result of these initiatives.

AEDG staff worked to complete an Allen County Revolving Loan and a D'arcy Loan totaling \$350,000 to assist a local company in refinancing and retaining between 80 and 100 jobs. This is significant because this is the first time that the Ohio Department of Development allowed a County RLF to be used to refinance as a job retention tool. It also gave a local financial institution to partner in this process.

In the last 2 months of 2010 AEDG responded to 4 project RFI's for large manufacturing projects. AEDG is working with Deloitte on a \$200 million manufacturing project that is conducting a site search. The initial RFI passed the technical review and the company made an initial visit to Lima in December as one of 4 sites in Ohio and 5 in Indiana culled from a list of 40 sites responding to the RFI. After the December visits all the Ohio sites except Lima were dropped from consideration. During the first week of February the consultant and client spent 2 days in Lima as part of the short list due diligence. Although the project requirements have had numerous challenges the Lima site is still under consideration following the February visits. The identity of the company and the product to be produced is still being held confidential by Deloitte. The timeline for a decision is in mid 2011.

In December the Austin Company, a national consulting firm was in Allen County to look at sites for a client with a food project. That site process is still ongoing. The other 2 RFI's that AEDG submitted are no longer considering any site in Ohio.

Food Park Project – During a number of the meetings with national site consultants it became apparent that food related manufacturing projects would be important in the next 2 years. AEDG partnered with the City of Lima and the Allen County Commissioners to retain the Austin Company and the Ady Group in an initiative to get shovel ready site certification for food manufacturing for Gateway Commerce Park. AEDG obtained a grant from the Center for Innovative Food Technology in Toledo for \$8,000, half the cost of the certification project. Work is ongoing at present in this project.

Branding Project – AEDG staff have participated as a key member of the Branding Committee. Jeff Sprague has handled the Real American Strength website throughout the project. AEDG staff have also made numerous presentations regarding the new brand. One of the most important was to about 300 people at the International Economic Development Council annual conference in September of 2010. Allen County and a community in California were the 2 selected to discuss our branding projects along with Northstar Destination Strategies.

Early Warning Network Grant – In the fall of 2010 Jeff Sprague and Eric Davis of the Ohio Skills Bank wrote a grant application for an Ohio Department of Development program the Early Warning Network. The grant was written on behalf of all 8 counties in ODOD region 3. The purpose of the grant is for the staff's of the county development organizations to meet with companies for an interview to determine at risk businesses and to bring assistance where appropriate.

The grant proposal submitted by Jeff and Eric received a \$250,000 amount of funding, the largest amount granted by ODOD. The grant funds will be prorated to all 8 counties by population. For AEDG it means that a potential amount of \$60,000 can be earned to supplement the AEDG general fund. The grant requires that AEDG staff conduct meetings with 180 companies in Allen County in the first 6 months of 2011.

Marketing Committee – In September of 2010 a number of marketing experts from Allen County companies were contacted about working on a Marketing Committee to assist AEDG staff in the development of a more effective marketing program for 2011. The committee began meeting in October and in the 2011 AEDG Plan of Work the suggestions of the Marketing Committee were approved by the AEDG Board. The committee is refocusing the efforts of AEDG staff to new and varied marketing efforts.

Finances – At the February, 2011 Board meeting Finance Chair, Eric Pohjala, reported on the year end finances. The budget for 2010 was balanced between revenue and expenses as mandated in the AEDG Board Policies. During the year the Finance Committee reviewed and revised the AEDG Employee Handbook, the AEDG Finance Policies and the D’Arcy Fund policies. An audit of the books of AEDG will be conducted in February and March and reported to the Board. Despite the continued reduced budget AEDG was able to meet all the requirements of the 2010 Business plan within planned spending.

I would like to thank all of the AEDG Board members for their guidance and counsel in 2010. I want to thank our private sector partners at the Allen County Visionaries and the Visionary Board for the continued support in both funding and participation in AEDG activities. I also want to thank our public sector partners for their support and participation. Without these partnerships the important work of AEDG would not be possible. I also need to recognize the work and dedication to AEDG by Jeff Sprague, AEDG VP and Barb Holbrook, AEDG Administrative Specialist. Without great staff we would not have this outstanding organization.

Respectfully Submitted on Behalf of AEDG Staff and Board

Marcel W. Wagner Jr. CEd
President | CEO

ALLEN ECONOMIC DEVELOPMENT GROUP 2010 PLAN OF WORK RESULTS

Mission Statement for the Allen Economic Development Group

It is the mission of the Allen Economic Development Group to create an environment for new business development, to promote and nurture existing business and to facilitate the creation of new jobs in Allen County.

Guiding Principles of the Plan of Work

- Facilitate the creation of new jobs, investment and the retention of existing jobs as the lead economic development agency.
- Communicate and Educate Allen County on the mission of AEDG and partners of the organization.
- Take a leadership role in the creation and implementation of a regional economic development effort.
- Create, maintain and implement a program of marketing, promotion and branding of Allen County.
- Nurture and promote Entrepreneurship in Allen County.

Facilitate the creation of new jobs, investment and the retention of existing jobs as the lead economic development agency.

1. Complete projects that create 300 new jobs.
 - a. Ford Motor Company 300 jobs
 - b. Orval Kent - 46 jobs
 - c. Husky Lima Refinery 26 jobs
 - d. Element Solar Project – jobs undetermined
2. Assist 8 existing businesses with expansion projects.
 - a. PCS – assisted with training grant
 - b. Ineos - assisted with training grant
 - c. Husky – assisted with training grant
 - d. Worked with local company (confidential) to use a County RLF and D'arcy loan to complete refinancing that retained 100 jobs. AEDG successfully argued that job retention was a proper use of the County Revolving loan funds at the Ohio Dept. of Development.

3. Participate in existing and new initiatives that create or retain jobs.
 - a. Auto Task Force
 - b. Task Force Lima
 - c. 458 Postal Task force
 - i. Jeff Sprague chaired this effort and AEDG continues to work on these issues.
4. Partner with the Bluffton Center for Entrepreneurs and the Potts Center in promoting use of the Center in developing new business startups.
 - a. Assisted with business plan competition at BCE
 - b. Participate on BCE Board and Potts Center Board and assist with other activities of the centers.
5. Entrepreneurial assistance
 - a. Promote use of D'Arcy fund for qualified startups
 - i. D'arcy Fund was used in conjunction with County RLF to assist local company with refinance that retained 100 jobs.
 - b. Present a Seminar on Assistance to Entrepreneurs

Workforce development and Business Retention

1. Complete and document retention calls on 100 companies annually using e-Synchronist.
 - A. Contact and visit companies aligned with the e-Synchronist business retention and expansion criteria.
 - a. Report and post data from the Retention & Expansion calls utilizing e-Synchronist software tools.
 - b. Utilize e-Synchronist Assistance Tracking and Follow-up to chart countywide activity.
 - B. Jeff Sprague met with 121 local businesses in 2010 and Marcel Wagner met with 88 local businesses in 2010.
2. Address issues of workforce development with existing resources
 - a. WIA Board
 - b. Manufacturers Consortium
 - c. Other initiatives as appropriate

Communicate and Educate Allen County on the mission of AEDG and partners of the Organization

1. Continue and improve program to promote existing business focusing on Visionary members.

- a. Recognize Visionary members for specific achievements.
 - a. AEDG sent out 14 updates to Visionary members recognizing specific achievements or news from partner companies.
 - b. AEDG sent out 7 information packages to Allen County companies considering projects with information on resources offered by Visionary member companies.
2. Continue media initiative to increase the visibility of AEDG and its mission.
3. Maintain strategic partnerships with the Chamber, Downtown Lima, Governors Regional Office and other organizations.
 - a. Quarterly meetings with all organizations in Center for Business Services were held.
 - b. Met with Chamber President to partner on specific projects such as the Branding and 458 Postal Task Force.
4. Participate with the Chamber on Entrepreneurship program
 - a. AEDG representative serves on the Board of the Potts Center.
5. Continue presentations to the community with service clubs, community groups, Chamber events which promote the services and assistance available through AEDG.
6. Assist community groups in Allen County with economic development initiatives.
7. Develop and implement an informational program for to assist local lenders in the use of the D'Arcy fund and Rocket Ventures fund and other loan programs.
8. Provide community information on funding methodologies for development such as Tax Increment Financing. [other initiatives?]

Take a leadership role in the creation and implementation of a regional economic development effort.

1. Lead efforts with regional economic development professionals to create a regional organization that will align with the Ohio Department of Development Strategic Plan.
 - a. AEDG partnered with the City of Wapakoneta, Mercer, Darke and Van Wert Counties, the City of Piqua, City of Troy and the City of Bellefontaine to form new regional partnership. ROI, a research consultant was retained to provide qualified leads for Midwest investment prospects to the group in 2011. This is an aggressive working group formed to attract new business to our region.

2. Develop regional information data base based on the US 30 Study and submit a proposal to ODOD to update the study to include all Counties in Region 3.
 - a. Data base and marketing material for new regional group is being produced.
3. Partner with Ohio Business Development Coalition and Ohio Department of Development to provide marketing and financial assistance for regional economic organization.
 - a. AEDG participated in OBDC sales trip to Toronto and several leads are being pursued.

Promotional / Branding / Marketing initiative.

1. Structure marketing initiative and lead development using the following criteria:
 - a. Available sites and buildings
 - b. Local identification and development of technology innovation and commercialization initiatives.
 - c. Focus on the following areas:
 - i. Alternative energy
 - ii. Logistics/Distribution
 - iii. Agribusiness
 - iv. Food Manufacturing
 - v. Manufacturing and Advanced Manufacturing
 - vi. Advanced Materials
2. Partner with the Chamber. City, County and Allen County Visionaries on Community Branding Initiative.
 - a. Complete process with Northstar
 - i. Project was completed and AEDG/D'Arcy fund provided \$67,500 for the marketing efforts. The Allen County Visionaries also made substantial financial contributions to the project.
 - ii. AEDG presented the Allen County branding project at the IEDC national conference in September, 2010.
 - b. Use results from process as website enhancements and marketing materials.
 - i. Jeff Sprague has integrated the new brand into the AEDG website and also manages the Real American Strength website as part of the branding committee.
 - c. Promote the results of the branding initiative.

3. Develop and produce an editorial document for distribution to regional and national media on Allen County.
 - a. Distribute editorial document to national media
 - i. Story highlighting the benefits of Allen County as a superior location for Food Manufacturing was written and has been distributed. The story will be appearing in a 2011 issue of Food Processing Magazine.
4. Direct Marketing
 - a. Partner with consulting firm WEDA on trade show opportunities
 - i. AEDG opted out of a new agreement with WEDE to pursue the regional initiative described earlier.
 - b. 10 Consultant / National Realtor sales calls
 - i. AEDG staff met with 17 national consultants and realtors.
 - c. 2 Consultant / Realtor events
 - i. AEDG staff participated in 2 events.
 - d. 1 event to have regional focus with other local economic development organizations
 - i. Marcel Wagner participated in Toronto sales effort as the representative of the regional organization.
5. Web site – Enhance and update AEDG website as required
 - a. Review the existing content and usability of the web site
 - b. Build on the existing capabilities of the web site
 - c. Develop upgrades and enhancements targeting site selectors and end users
 - d. Integrate geographical information with enhanced mapping capabilities
 - e. Build out flexibly formatted data and materials for current and future business partners
 - i. Jeff Sprague has made numerous updates to AEDG website and response from clients, consultants and national realtors has been very positive.
6. National Advertising and Promotion
 - a. Develop new ad copy for use in national ad vehicles using smaller format to reduce costs
 - b. In partnership with WEDA conduct direct mail to target companies
 - i. New ads for Gateway and for the Food Industry were developed.
 - ii. Marketing committee formed to assist AEDG staff in marketing efforts.

7. Retail Attraction

- a. Supply demographic information to retail developers and retailers as requested.
- b. Work with retail developers on Easttown / Allentown project

Other Board and Visionary Initiatives

1. Coordinate twice yearly meetings between the AEDG and the Allen County Visionaries Board.
 - a. **Several meetings between the AEDG and Visionary Executive Committees were held.**
2. Provide access to local and regional leaders to training and informational seminars on trends and other economic development issues.
3. Complete one-on-one meetings with all Allen County Visionaries Members.