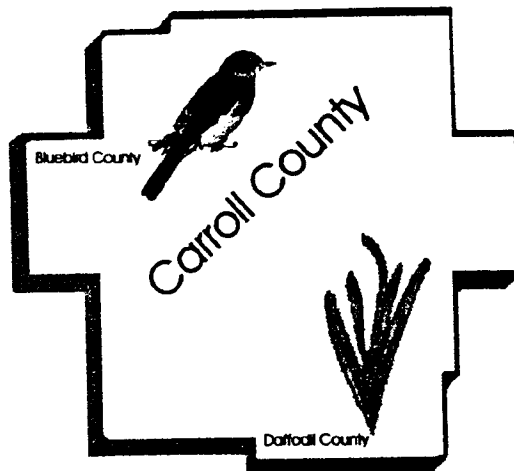


Carroll County



Carroll County Industrial Business Retention & Expansion Executive Summary

Prepared by: Gary Hall, Carroll County Economic
Development

June 2003



Introduction

Retention of existing businesses and community encouragement of local firms' continued growth has become an essential aspect of many local and regional economic development programs. While attraction of new businesses is a highly visible aspect of most economic development programs, studies have shown that the businesses that already exist in a community account for between 60% and 90% of all positive net change in local employment. Recognizing the importance of these local firms, the Carroll County Economic Development office conducted a Business Retention and Expansion (BR&E) Program to assist these companies in achieving their growth objectives and to improve the overall business environment in the county.

BR&E Program Objectives

The objectives of the Carroll County BR&E Program are to:

- 1) Identify and address concerns and issues of existing businesses
- 2) Identify opportunities and create programs to stimulate local job growth
- 3) Attract new businesses to the area
- 4) Collect and analyze business information for use in the comprehensive plan

BR&E Program Outcomes

Expected outcomes of the program are to improve services, improve infrastructure, grow existing businesses, enhance organizational visibility, and retain the quality of life in Carroll County.

BR&E Program Participants

The first step in building a local BR&E program is to survey existing businesses about their perceptions, plans, and concerns. To effectively accomplish this task, Carroll County was accepted for membership to The Ohio BR&E Initiative under the sponsorship of the Carroll County Economic Development office. Gary Hall, Economic Development Director served as Coordinator of the program. Task Force members represented various segments from throughout the community including local and county government, education, economic development, business, healthcare, and church. See Appendix C for a list of Task Force members.

The Ohio BR&E Initiative, located on The Ohio State University campus in Columbus, is sponsored jointly by Ohio State University Extension and the Department of Agricultural, Environmental and Development Economics. Representatives from the Initiative assisted in development of the questionnaire, planning of the survey implementation, and analysis of the results.

Community Overview Summary

The following is a summary of data provided by census information and other secondary sources.

- In 2000, 28,836 people lived in Carroll County. The county's population increased over the past two decades and grew at a faster rate than the State of Ohio (8.7% for Carroll County vs. 4.7% for the State).

The change in population occurred at different rates throughout the county. While overall county population increased in the 1990s, the population of Carrollton Village grew from 3,042 in 1990 to 3,190 in 2000— an increase of 4.9 percent over the ten-year period. In comparison, Malvern grew 9.5%, from 1,112 to 1,218, and Minerva's population decreased from 4,318 to 3,934, an 8.9% decline.

In 2000, Carroll County's average population was older than that of the State of Ohio. The county's median age was 39 compared to 36.2 for the State. Also, the county had a larger percentage of residents over the age of 65 (14.2% vs. 13.3%)

- Compared to the State of Ohio, Carroll County had a lower household income in 1999. 69.6% of households had incomes less than \$50,000 in 1999 compared to 59.8% for Ohio households, nearly a 10% difference. The median income for Carroll County was \$35,509 compared to the State's median household income of \$40,956.
- In 1999, 8.5% of families in Carroll County had income below the poverty level. This is higher than the Ohio average of 7.8%.
- The county homeownership rate in 2000 was higher than the State of Ohio (80% and 69.1%, respectively). Property values were lower in Carroll County compared to the State (\$89,700 versus \$103,700). The county had significantly fewer multi-family residences (6.6%) compared to 24.1% for Ohio.
- Most workers who resided in Carroll County in 2000 were employed by the Manufacturing sector (28.6%), followed by Educational, Health and Social Services (16.1%) and Retail Trade (10.8%).
- In 2000, 80.1% of persons 25 years and older in Carroll County were high school graduates. This is slightly below the Ohio average of 83%. Also in 2000, 9.1% of Carroll County residents 25 years and older held a bachelor's degree or higher. This is less than half the state average of 21.1%.
- The average travel time to work for Carroll County workers in 2000 was 27.5 minutes. This compares to 22.9 minutes for workers across the State of Ohio. Most commuters drove alone (83.7%). Nine Fifty-seven percent of Carroll County's workforce commuted out of the county in 2000. More workers (3,856 vs. 5,125) traveled out of the county in 2000 than in 1990. Most commuted to Stark County (5,125 workers), followed by Tuscarawas (840 workers), Columbiana (297 workers), Jefferson (178 workers) and Harrison (160 workers). Stark County provided most of the in-commuters in 2000—956 workers, which is up from 763 in 1990.
- Carroll County experienced a net gain of 29 businesses from 1990 to 2001.

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Survey Highlights

The following is a summary of the responses to the Carroll County Industrial BR&E survey.

- Respondent profile. Approximately 45 industrial businesses were mailed surveys. The Industrial BR&E Task Force completed 28 business visits, yielding a response rate of 62%.

Eighteen, or 64.3%, of the businesses are single location establishments, seven (25%) are branch plants of multi-unit firms, and 1 is the headquarters of a multi-unit firm. The main office of 5 of the 7 branch plants are located in another county in Ohio. The counties listed were Columbiana, Stark, North Canton and Tuscarawas. Two of the branch plants have headquarters located in Texas and Michigan.

Twenty-one (71%) respondents own their business property and 7 (25%) lease.

Twenty-five (92.3%) respondents expect the sale of their products or services to increase in the next three years. One expects sales to decrease and one is forecasting sales to remain the same. Most reasons given for growth were related to business operations, such as "expand sales and marketing areas", "new products", "will add new products to our line", "add new advertisers", "making improvements to be the best in the industry", "intend to expand into new product lines and grow the sales of existing product lines as result of consolidating operations".

Most of the responding businesses have less than 50 current full-time employees. Only 13 companies noted that they employ part-timers.

Number of Current Full-time Employees

	<u>Number of Respondents</u>	<u>Percent of Respondents</u>
25 or less	19	70.4%
26 to 50	4	14.8%
More than 50	4	14.8%
Total	27	NA

Number of Full-time

Employees 3 Years Ago

	<u>Number of Respondents</u>	<u>Percent of Respondents</u>
25 or less	17	65.4%
26 to 50	5	19.2%
More than 50	4	15.4%
Total	26	NA

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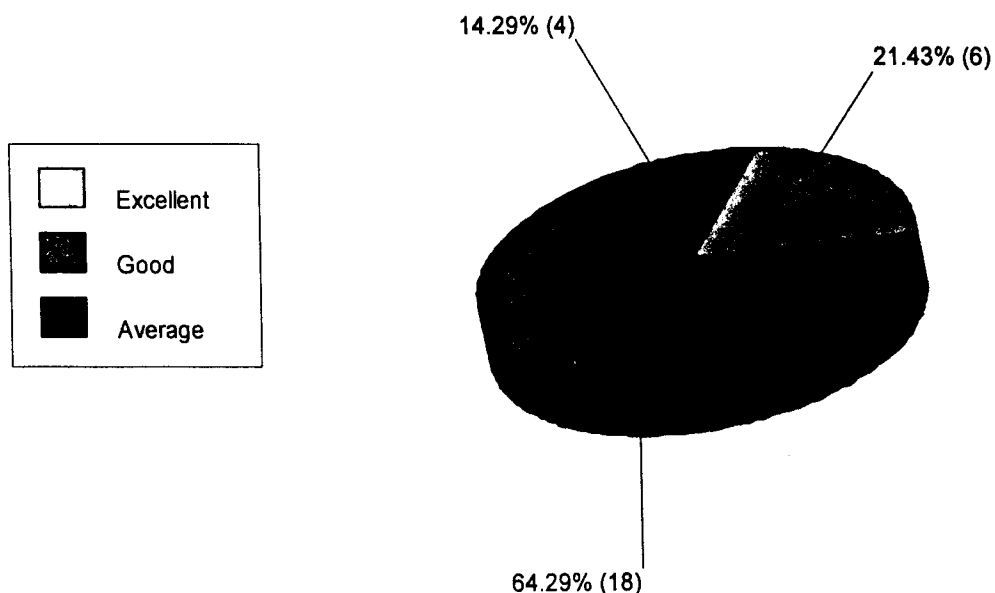
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- Local Business Environment. Twenty-four (86%) rated Carroll County as an Excellent or Good place to do business. Four respondents gave the county an Average rating. No respondents rated the county below Average (Poor or Very Poor). Good was the most frequent response.

What is your overall opinion of Carroll County as a place to do business?

Mean: 1.93



The smaller companies generally rated Carroll County higher than companies with more employees in terms of their perception of the local business environment.

Ratings of Doing Business in Carroll County by Size of Company (Number of Employees)

Rating	Less than 50	Between 50 – 250	More than 250
Excellent	26%	0	25%
Good	63%	75%	50%
Average	11%	25%	25%
Poor	0	0	0

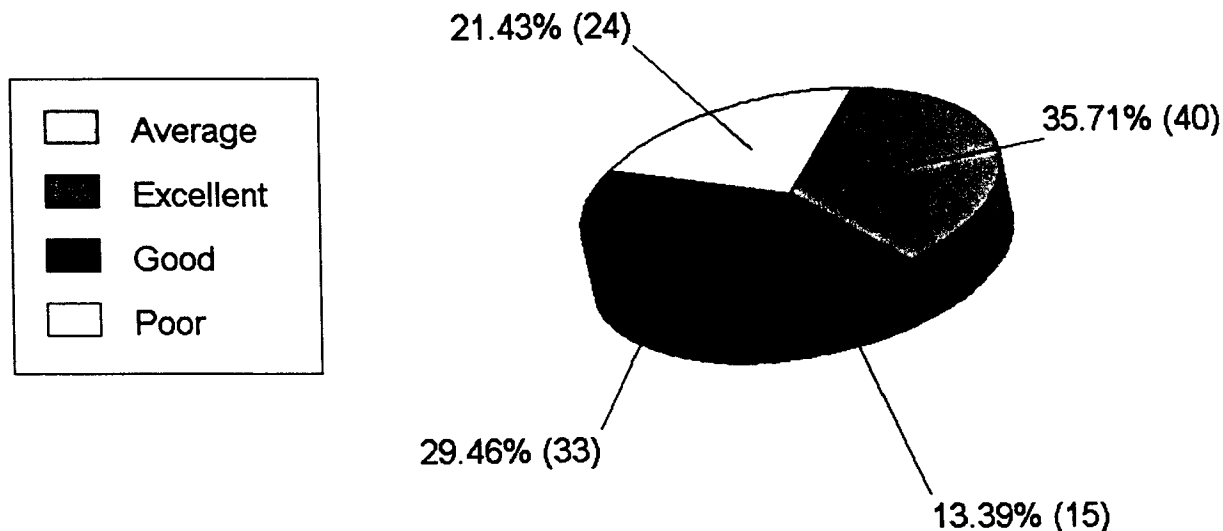
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- Employment. Respondents were asked to rate the local workforce on the following attributes. With 1 representing Excellent, 2 = Good, 3 = Average, 4 = Poor, and 5 as Very Poor, the responding businesses rated Quality the highest, and Availability ranked last. Note that the respondents rated all of the attributes above Average.

<u>Attribute</u>	<u>Mean Rating</u>
1) Quality	2.43
2) Stability	2.64
3) Quantity	2.71
4) Availability	2.82

The following chart shows the percentage of ratings for all four of the workforce attributes. The most frequent response was Average (35.7%), followed by Good (29.5%), Poor (21.4%) and Very Poor (13.4%).

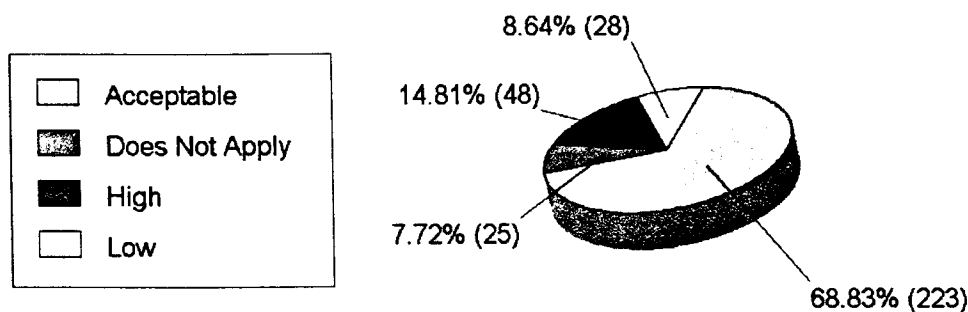


- **Cost of Doing Business.** Respondents were asked to indicate if the cost of the following attributes were High, Acceptable, Low, or Does Not Apply. The following table ranks the attributes from lowest to highest perceived cost of doing business. Note that 1 indicates a High rating, 2 = Acceptable and 3 = Low. The Cost of Public Education was rated low in terms of cost of doing business in the county. Healthcare was perceived by the respondents as a relatively higher cost of doing business. Note, however, that all of the responses cluster around the Acceptable rating.

Responses Ranked by Perception of Lowest to Highest Costs of Doing Business

	<u>Mean Score</u>
1) Cost of public education	2.09
2) Environmental regulations	2.08
3) Public utilities	2.074
4) Labor costs	2.071
5) Worker's compensation	1.96
6) Building costs (rent)	1.95
7) Transportation of product to market	1.92
8) Payroll taxes	1.89
9) Corporate taxes	1.87
10) Inventory taxes	1.78
11) Property taxes	1.77
12) Healthcare	1.73

The following chart shows the percentage of ratings for the three attributes of the cost of doing business. The most frequent response was Acceptable (68.8%), followed by High (14.8%), and Low (8.6%).



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- Community Services and Attributes. Respondents were asked to rate community amenities and services. The mean scores were calculated on a scale of 1 to 5, with 1 as the highest rating of Excellent, 2 = Good, 3 = Average, 4 = Poor and 5 = Very Poor. Fire Protection and Police Protection received the highest average ratings. High Speed Internet Access was the lowest rated service. Note that items ranked 1 to 16 were rated Good to slightly above Average and those ranked 17 and lower were rated Average or slightly below Average. The most frequent response was Good.

<u>Responses Ranked</u>	<u>Mean Score</u>
1) Fire protection (tie)	2.11
1) Police protection (tie)	2.11
3) Snow and ice removal	2.36
4) Natural gas services	2.52
5) Postal service (tie)	2.56
5) Electrical services (tie)	2.56
7) Street and sidewalk cleaning	2.63
8) Conference facilities	2.68
9) Hotel facilities	2.72
10) Solid waste disposal	2.73
11) Water and sewers	2.77
12) Healthcare services (EMS, hospitals, clinics)	2.79
13) Air service	2.85
14) Roads and highways (tie)	2.929
14) Telecom services (tie)	2.926
16) Street repairs	2.92
17) Recreation/cultural activities/entertainment	3.12
18) Shopping/professional services	3.22
19) Public transportation	3.31
21) Rail Service	3.33
20) High speed Internet access	3.45



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Respondents were asked to consider 11 attributes by rating them in terms of how they detract from or enhance the business environment in Carroll County. The mean scores are calculated on a scale of 1 to 5, with 1 as the highest rating of Strongly Enhances, 2 = Enhances, 3 = Neither Enhances nor Detracts, 4 = Detracts and 5 = Strongly Detracts. Items ranked 1 to 9 were rated above the neutral rating of Neither Enhances nor Detracts, and the items ranked below 9 were at or slightly below the neutral rating.

<u>Responses Ranked</u>	<u>Mean Score</u>
1) Safe environment	1.96
2) Overall quality of life	1.93
3) Cost of living	2.14
4) Work ethic of work force	2.30
5) Local financial services	2.46
6) Housing opportunities	2.52
7) Proximity to major markets/customers	2.85
8) Access to major markets/customers	2.89
9) Proximity to major suppliers	2.92
10) Access to major suppliers	3.00
11) Highway infrastructure	3.14

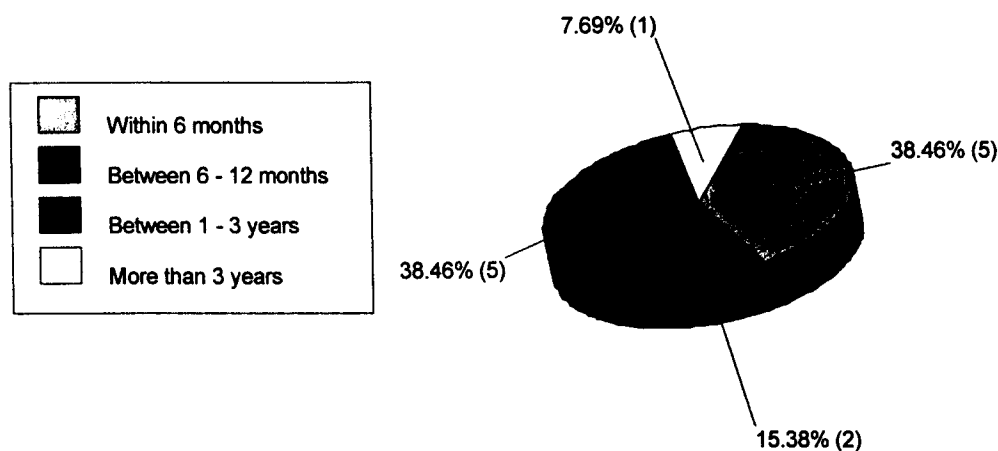
- **Business Investment.** Thirteen of the 28 respondents are planning to expand their buildings or equipment. Eight of these companies have less than 25 employees, 1 has 26 to 50 employees, and 4 have more than 50 employees. Of these companies, 5 plan to expand within 6 months, 2 between 6 to 12 months, 5 between 1 and 3 years, and 1 in more than 3 years. Nine of these companies are owners of their business property. Constraints to expansion most noted were the need for financial assistance (28%), highway infrastructure (14%), and insufficient space (14%). These expansion plans are estimated to add between 102 and 186 new jobs.

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The following chart shows when respondents are planning to expand their buildings or equipment: 5 respondents within 6 months, 2 respondents between 6 – 12 months, 5 respondents between 1 – 3 years, and 1 respondent more than 3 years.

Mean: 2.15

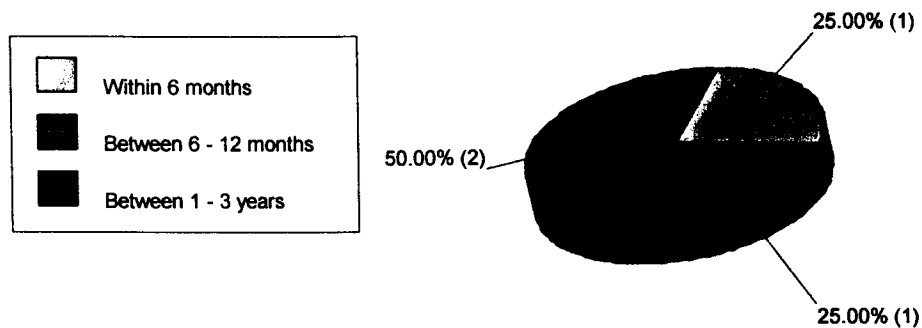


Three respondents are considering moving. One may move elsewhere within Carroll County; the other two are undecided. One company has 26 to 50 employees; the other two have less than 50 employees. The reasons given for moving are changing market conditions and overcrowded buildings. The two businesses that noted overcrowded building as a reason for moving own their business property.

One company is considering selling and another may close. The company who is considering selling has more than 50 employees and owns the business property. The company considering closing has less than 25 employees and is also a property owner.

The following chart shows when respondents are planning to move, sell or close their businesses: 1 respondent within 6 months, 1 respondent between 6 – 12 months and 2 respondents between 1 – 3 years.

Mean: 2.25



Two respondents anticipate federal, state or local legislative changes that may benefit their business in the next 3 years. Ten respondents anticipate legislation that may adversely impact their business in the next 3 years. Most of the changes noted related to the higher cost of doing business, such as higher taxes, higher insurance and medical costs.

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- **Industrial Linkages.** Eight of 25 respondents believe that items they purchase outside the area could be produced profitably within the county. Examples cited were corrugated cartons and boxes, pallets, plastic wrap, plastic bale covers, plastic bale bags, garbage bags, and steel and tube distributors.

Most of the respondents sell their products Outside Ohio, in the U.S (46.8%).

Rank of Region Where Respondents' Products are Sold

<u>Region</u>	<u>%</u>
1) Outside Ohio, in the U.S.	46.8%
2) Carroll County	20.5%
3) Other counties in Ohio	17%
4) Adjacent counties in Ohio	13%
5) Outside U.S.	2.4%

Most respondents purchase inputs from firms Outside Ohio, in the U.S (36%).

Rank by Region Where Respondents Purchase Inputs

<u>Region</u>	<u>%</u>
1) Outside Ohio, in the U.S.	36%
2) Other counties in Ohio	32%
3) Adjacent counties in Ohio	19%
4) Carroll County	10%
5) Outside U.S.	2%

- Respondents had an opportunity to express their concerns and immediate and/or long-term needs. The following is a sample of respondent comments:
 - Allow Industrial businesses the opportunity to select and negotiate solid waste removal.
 - Improve 4 lane highways accessibility. Develop program to provide a higher skilled workforce.
 - Child Care
 - Drinking Water/Highway Improvement
 - Health care - Estate taxes - Retirement for small business
 - Improve School Facilities (Education is good but facilities need improvements)
 - Increases in costs of discontinued insurance policy--liability; property and casualty
 - Landfills - eliminate
 - More cooperation between local government and business in attracting new businesses, Chamber promotion of the county, working/coordinating groups with in county, are they planning?? - focus on attracting will expand existing local business & vise versa.
 - Stop raising taxes--don't force city sewer on businesses or homes that have a county approved system already in place
 - We need WATER for FIRE PROTECTION

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Appendix A: Transportation and Highway Infrastructure

In 2003, the Carroll County Economic Development Office conducted two Business Retention and Expansion surveys: Industrial and Retail. Several questions pertaining to Transportation and Highway Infrastructure were asked. The following is a summary of the results and a comparison of the responses from the Industrial and Retail business owners and/or operators.

Respondents were asked to rate Transportation of Product to Market in terms of the Cost of Doing Business in Carroll County. The majority of Retail respondents gave it an Acceptable rating (61%) as did the Industrial survey respondents (64%).

Respondents were asked to rate a list of Community Services and Amenities that included Air Service, Roads and Highways, Public Transportation and Rail Service. The following are the mean ratings and rankings of these items for each survey. The ratings are based on a scale of 1 to 5, with 1 as highest rating of Excellent, 2 = Good, 3 = Average, 4 = Poor and 5 = Very Poor. Note that the Industrial respondents generally gave more positive ratings than the Retailers. Still, these items ranked low in both surveys relative to the other attributes on the list.

<u>Item</u>	<u>Industrial Mean rating</u>	<u>Industrial Rank/Total # of Items</u>	<u>Retail Mean rating</u>	<u>Retail Rank/Total # of Items</u>
Roads & Highways	2.93	14/20	2.81	15/22
Air Service	2.85	13/20	3.36	20/22
Public Transportation	3.31	19/20	3.46	21/22
Rail Service	3.33	21/20	3.62	22/22

Respondents were asked to consider a list of attributes by rating them in terms of how they Detract from or Enhance the business environment in Carroll County. The following are the mean ratings and rankings of these items for each survey. The ratings are based on a scale of 1 to 5, with 1 as the highest rating of Strongly Enhances, 2 = Enhances, 3 = Neither Enhances nor Dettracts, 4 = Dettracts and 5 = Strongly Dettracts. Note that the Industrial respondents once again gave higher ratings than the Retailers. However, all three transportation-related attributes ranked in the bottom quartile of the list of attributes in both surveys.

<u>Item</u>	<u>Industrial Mean rating</u>	<u>Industrial Rank/Total # of Items</u>	<u>Retail Mean rating</u>	<u>Retail Rank/Total # of Items</u>
Access to major markets/customers	2.89	8/11	NA	NA
Access to major suppliers	3.00	10/11	3.09	8/9
Highway infrastructure	3.14	11/11	3.45	9/9

Another aspect of transportation and highway infrastructure in the county concerns where the respondents' customers and suppliers are located. The results of the Industrial survey indicated that 79% of the respondents' customers and 89% of their suppliers were located outside Carroll County. As for the retailers, 49% of their customers come from outside the county. The

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implications are that access to both customers and suppliers can be limited given the current condition of the county's roadways.

Respondents of both surveys were asked to indicate their Immediate and Long-Term Needs and Concerns. Many of them noted that the existing highway infrastructure did not meet their needs. The following are actual comments taken from respondent surveys.

Industrial Respondent Needs & Concerns

A four lane highway
 Improve 4 lane highways accessibility
 Highway Improvement
 Continued rail service - Improved highways (Rt. 30)
 Highway Improvement
 Local road and street repair
 Transportation and ease of access to interstate

Retail Respondent Needs & Concerns

We need some major highway (4-lanes) closer. To get to Stark county Rt 43 is a killer. Takes too long to get north.
 Improve infrastructure of highways and roads
 Access to other cities
 Major Highway



Appendix B: Industrial BR&E Task Force Members

Billie Rowe	Village Council	Minerva
John Davis	Retired	Carrollton
Dave Harp	Village Administrator	Minerva
Jeff Yeager	Key Bank	Carrollton
Terry Wagner	County Commissioner	Carrollton
Jim Griffith	County Commissioner	Carrollton
Dave Wheeler	AEP	Canton
Rick Hannon	Fusion Ceramics	Carrollton
George Miser	Lumber Services	Carrollton
Connie Griffin	Brown Local Schools	Malvern
Bill Offenberger	Jobs & Family Services	Carrollton
John Weir	Retired	Carrollton
Tammy Sanderson	Jobs & Family Services	Carrollton
Robert Morgan	County Visiting Nurses	Carrollton
Bruce Burgett	Carrollton Farmers Exchange	Carrollton
John McClain	Retired	Carrollton
Leroy VanHorne	County Auditor	Carrollton
Brad Wheeler	Wheeler Construction	Carrollton