

Ashland Area Council for Economic Development

2013 Annual Report

Economic Wins for Ashland County



In 2013, AACED:

- Helped secure \$559,500 in funding for local business start-ups and expansions.
- Completed Project Boo 1: assisted in the procurement of the Savannah School for the company Twisted Horrors to be used as a haunted house starting in 2014. This start-up will employ 100-150 people locally during the Halloween season.
- Completed Project Chesterland: secured and managed a Community Reinvestment Area tax abatement for the construction of a Chesterland Productions-owned warehouse in Ashland, which will result in the creation of 14 new jobs.
- Completed Project SWAT: assisted in the expansion of Smart Digital, LLC in Ashland, resulting in the creation of 5 new jobs.
- Completed Project Smoker: assisted Belly Busters BBQ of Ashland in opening a new location in Loudonville, resulting in the creation of 10 new jobs.
- Completed Project Healthy Ones: assisted in the start-up of Family Health and Healing Clinic in Loudonville, resulting in the creation of 4 new jobs.
- Completed Project Precious Gems: assisted in the relocation and expansion of Sparkleez Crystals in Ashland.
- Assisted Eva’s Treats in a smooth and successful opening in Ashland. The opening of Eva’s Treats resulted in the creation of 16 new jobs.

Other wins around the county in 2013:

- Packaging Corporation of America (PCA) of Ashland completed phase 1 of a 2 part expansion, resulting in the creation of 10 new positions. Phase 2 is on target to be completed by fall of 2014.
- Tri-State Youth Academy opened in the former Mohican Juvenile Correctional Facility outside of Loudonville, employing 49 people.
- Bookmasters of Ashland was successfully transferred from being a family-owned business to being owned by a private equity firm and shows hope for future growth and expansion.
- Step2 of Perrysville successfully completed an expansion project that resulted in the creation of 86 new jobs. In 2012, AACED worked with JobsOhio to secure a six year job creation tax credit for Step2 to help make this project happen.
- Mansfield Plumbing Products (MPP) of Perrysville successfully began an expansion project, resulting in the creation of 50 new jobs in 2013. MPP plans to add 50-75 additional jobs in 2014. This expansion was also a result of receiving a six year job creation tax credit.



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A Note from AACED Executive Director Kathy Goon



Executive Director Kathy Goon



Project Manager Jamie Andrews

A year in review: the best way to describe economic development in Ashland County in 2013 is challenging yet invigorating. Challenging in regard to the atmosphere and culture of the office. Invigorating in the number of calls that our office received over the last 12 months. Many of these calls were the beginnings of projects, and each project presented us with either an obstacle or an adventure. Sometimes it was both.

We have spent the last year mending, building, and creating relationships not only in the city of Ashland, but within the entire county. The communication between the AACED office and various other organizations is a two-way street, which makes us more effective and efficient in our daily routines.

One very important relationship we had in 2013 was with the Community Improvement Corporation of Ashland, Ohio, which is the non-profit extension of AACED. We managed to keep them busy over the year on different economic development projects. The 30 members of the CIC were able to come together to fund an expansion project for Smart Digital, LLC and gave financial assistance to Novatex North America, Inc., enabling them to grow and expand their product lines.

Another important relationship we developed was with the Erie Basin RC&D. Erie Basin became a source of gap funding for three businesses, two of them through Erie Basin's Downtown Revitalization Loan Program, within Ashland County. Erie Basin has become yet another tool in our toolbox. At the end of 2013, I replaced Jerry Yeater as the At Large for Ashland County on the Erie Basin board.

In July 2013, Jamie Andrews was promoted to Project Manager. She came to us in July 2012 from a temporary service and was eventually hired full-time in January 2013.

Overall, this past year has been a learning experience for both Jamie and me. While there has been plenty of change, we feel as though this is good and shows that we are establishing ourselves as a force to be reckoned with in the economic development community.

Respectfully,

Kathryn Goon

AACED Mission Statement

To assist in the success of our existing businesses, recruit new businesses in targeted industry sectors, and lead efforts to develop communities of choice that are attractive to investors, entrepreneurs, and citizens seeking gainful employment, which will enhance the quality of life in the Ashland area.



AACED Economic Development Partners

The following entities played an essential role in assisting us with economic development efforts in 2013. Thank you for your support and your passion!

- Our Investors (see last page for list)
- Ashland County
- City of Ashland
- Mohican Area Growth Foundation
- Community Improvement Corporation of Ashland, OH
- Ashland Area Chamber of Commerce
- Ashland Area Convention and Visitor's Bureau
- Loudonville-Mohican Chamber of Commerce
- Mohican-Loudonville Convention and Visitor's Bureau
- Ashland Main Street
- Perrysville Economic Development
- Erie Basin RC&D
- Ashland University College of Business and Economics
- TeamNEO
- JobsOhio
- SBDC
- SCORE
- Village of Polk
- Village of Savannah
- Village of Loudonville
- Village of Perrysville
- Village of Hayesville
- Village of Savannah
- Transformation Network
- Ashland County Job & Family Services
- Loudonville-Perrysville Exempted School District
- Ashland City School District
- Ashland County-West Holmes Career Center

Resurgence of Business

Tri-State Youth Academy



After 3 years of vacancy, the former Mohican Juvenile Correctional Facility is finally home to a new tenant: the Tri-State Youth Academy (TSYA). After the fall-through of a deal with potential tenant Lutheran Home Services in 2012, the Ohio Department of Natural Resources (ODNR) continued its search for another fitting tenant. In early 2013, ODNR successfully worked out a deal with TSYA, a residential treatment facility for adolescent boys. TSYA had outgrown their Chesterville, Ohio facility; the Mohican facility allowed them to increase their capacity to house 24 more young men.

The deal between ODNR and TSYA was kept confidential until spring of 2013 when AACED was brought on board to facilitate a working relationship between TSYA and the Loudonville-Perrysville School District. TSYA became operational in October and by the end of 2013 housed 56 adolescent boys and employed 49 people. TSYA is already exploring expansion options as they are filled to capacity.



Zephyr Industries



After being closed for two years, Zephyr Industries, Inc. is making a comeback under new ownership and management. For those unfamiliar with Zephyr, the company has manufactured outfittings for fire trucks for around twenty five years in the Ashland area. Their main focus is on creating holders for rescue tools, nozzles, hydrant wrenches, hammers, and forcible entry tools. They also create some of the actual tools themselves.

Anyone who visits the Ashland Fire Department will see Zephyr products outfitting the fire trucks there.

In addition to manufacturing, Zephyr has a foundry in which they smelt their own aluminum for the products they create. Zephyr smelts two different types of aluminum, both high quality, airplane-grade material. The company has a strong focus on quality, enabling them to guarantee each product produced. If a piece of aluminum is even suspect of impurity, it is not used. These products are used to save lives, and Zephyr settles for no less than the best.

When we visited Zephyr Industries in late summer of 2013, President Douglas Brown shared his excitement and pride in reopening Zephyr Industries. The company started production at the beginning of August and shipped its first order just a week later. They have began marketing around the same time and started to receive very good responses. Doug said that half of the battle in reopening was the getting-up-and-running part. Two of the employees who had worked for Zephyr before and have thirty years of experience in the field were hired back; without them, Doug said, they couldn't have made it.

Doug indicated that the company still has a lot of work to do, but they feel that the hardest part is behind them. Surprisingly, in Zephyr's two years of closure, no other company had filled the void Zephyr had left. The company made it a priority to reopen those connections with past customers and seek out new ones as well. Aside from their normal day's work at the shop, they attend manufacturing shows to make their presence known once again. Reassuringly, many people still remember Zephyr and the quality products the company produces, putting Ashland, Ohio on the map.



Business Attraction and Lead/Prospect Activity

Leads & Prospects

This year, AACED received leads for relocations or expansions from numerous sources. Some of them came through TeamNEO and JobsOhio, our regional and state economic development organizations. Many of the leads that TeamNEO and JobsOhio send out unfortunately call for large warehousing or manufacturing buildings that the Ashland area no longer has; however, AACED was able to respond to most of the leads for land, which the Ashland area does have. AACED submitted eligible land to 6 TeamNEO and JobsOhio leads in 2013. AACED was able to submit the Ashland Business Park for every lead. The Business Park's shovel-ready acreage, available infrastructure, availability of tax abatements, and affordable price per acre ensure that it will be a good location for prospective manufacturers. The length of time it takes for these leads to become projects varies and can take months or years to be completed.

The majority of leads that AACED receives for projects come from local community members, economic development partners such as our area chambers of commerce and convention and visitors bureaus (CVBs), or from companies contacting us directly. Some of our most active lead and prospect projects in 2013 included:

- Project Stay Puff, centered around a foreign-based manufacturing firm interested in expanding its operations to the United States, particularly Ashland, Ohio. This lead came from a local consultant and soon became a working project.
- Project Bob the Builder: This lead came directly from the company. It is an agriculturally-based company looking to relocate a portion of its operation to northern Ashland County.

- Project Destination Comfort: This lead came in through the Ashland Area CVB and was one of AACED's biggest projects up through the end of 2013.
- Project Ole Smoky: This was not an actual lead but resulted from a personal vacation Kathy Goon took to Tennessee. Kathy was able to speak with the owner of Smoky Mountain Brewery and Restaurant about expanding operations to the Ashland area. The following week, AACED sent a proposal to Smoky Mountain Brewery to plant the seed. Smoky Mountain Brewery indicated that they were not yet ready to expand north east of Tennessee.
- Project Magazine: In the spring of 2013, AACED received leads from various community members for firearm manufacturers around the country. As a result of legislation that restricts firearm production in other states, several firearm manufacturers announced that they were looking to relocate their facilities in states that show dedicated support for the Second Amendment. With information provided from our leads, AACED was able to send proposals to three different firearm manufacturers, encouraging them to explore Ashland County as a viable option for relocation. In June of 2013, AACED received a letter from one of the companies we contacted: Beretta. Beretta indicated that based on Ohio's legislative record and overall inconsistent support of the Second Amendment right, the company would not be considering Ohio for relocation. It was disheartening to receive a rejection letter, but oftentimes many seeds have to be planted before one grows into something fruitful.



Marketing



AACED's Marketing Efforts for 2013

AACED began a new marketing effort to design an all-inclusive brochure that can be handed to prospective businesses of all sizes and types. One of the focuses of this marketing piece is to present a compilation of all of the local resources available to existing or potential businesses. AACED began working with Detrow & Underwood on the creation of these marketing materials, and the design process began in the fall of 2013. AACED anticipates a finished product sometime in 2014.

Entrepreneurial Support

AACED's Expanded Focus

When Kathy Goon was hired as executive director of AACED at the end of 2012, AACED's focus expanded to include assisting small businesses. With Kathy's 7 years of experience working with the Small Business Development Center (SBDC), the AACED office gained the ability to help new or existing small business owners in numerous ways: counseling, creating and revising business plans and projections, assistance with Quickbooks and accounting, helping owners understand small business regulations in Ohio, and more. AACED also has a tool box full of resources and connections when the office cannot directly address certain issues. This makes AACED a great first stop for small business owners in the Ashland area.

In 2013, AACED helped 5 different entrepreneurs from all over Ashland County create business plans, which allowed each entrepreneur to pursue and acquire funding where needed. AACED also counseled between 20-30 area businesses with an array of needs throughout the year.

At the end of 2013, numerous small business projects were still in the works, but a number of them came to fruition in 2013. Some of AACED's most involved small business projects included:

- **Project SWAT: Smart Digital, LLC expansion.** Smart Digital, LLC, originally located in Jeromesville, specializes in the sale and service of home and business security systems. The owner came to AACED seeking help in expanding his business to include a tactical division. AACED helped him create a business plan and projections, find a new location, and acquire the necessary funding through Erie Basin Resource Conservation & Development and the Community Improvement Corporation of Ashland, Ohio. Additionally, through Kathy's Quickbooks Pro-Advisor status, AACED helped Smart Digital with their initial accounting needs.
- **Project Smoker: Belly Busters BBQ expansion.** Belly Busters BBQ in Ashland sought help in opening a new location in Loudonville. AACED assisted in finding a suitable location as well as navigating through numerous unforeseen circumstances. Belly Busters BBQ South, as it has been dubbed, opened in October of 2013 and has reported steady growth since.
- **Project Healthy Ones: Family Health and Healing Clinic start-up.** Nurse practitioner Daniele Marsh came to AACED in September 2013 seeking help in writing a business plan and in order to obtain funding to start a walk-in clinic in Loudonville. With a completed business plan, AACED helped Family Health and Healing Clinic receive gap funding from Erie Basin Resource Conservation & Development and made opening the clinic in 2013 a reality.
- **Project Boo 1: Twisted Horrors Haunted House start-up.** Haunted house attraction owner Jim Culbertson came to AACED with the idea of turning the old Hess and Clark building into a haunted house. After learning that Hess and Clark shows evidence of chemical contamination and would require EPA phase I and II environmental site assessments, Mr. Culbertson was open to finding another fitting building. AACED helped him locate and purchase the old Savannah school, a building with real ghost stories. This purchase involved a public meeting and a rezoning in order to allow Mr. Culbertson to run it as a recreational attraction. Mr. Culbertson plans to open the haunted house beginning in the 2014 Halloween season.

AACED Partners with Ashland University College of Business and Economics

In the fall of 2013, AACED partnered with AU's College of Business and Economics professor Dan Sullivan to give the students of the Entrepreneurship 365 class real world business experience with Ashland area businesses. This class was designed to help not only the students but also the businesses to which the students were assigned.

The students were tasked with discovering the needs of the participating businesses, some of which were new and some of which simply needed some additional assistance. The students



Belly Busters BBQ,
Loudonville



Family Health and Healing Clinic,
Loudonville



Savannah School



Entrepreneurial Support Continued



then had to develop a plan to address those needs and implement it by the end of the semester. Each plan was unique: some focused on creating and maintaining social media pages and increasing web presence while others focused on updating or creating marketing materials such as product brochures.

Meaningful education occurred for both business owners and the students, and the goal of the project was achieved in most cases. AACED would like to thank the businesses who volunteered for this project:

- Blackfork Inn Bed and Breakfast, Loudonville
- Family Health and Healing Clinic, Loudonville
- Whoopsie Daisy Bowtique, Ashland
- Sparkleez Crystal Bead & Jewelry Boutique, Ashland
- Eva's Treats, Ashland
- Zephyr Industries, Ashland
- Bent Wrench, Loudonville
- Ruth's Driving Academy, Ashland

AACED also assisted in Kris Hovsepian's International Marketing class in the fall of 2013. For this class, students were given the task of working with Hedstrom Plastics to research and develop marketing plans for the Bosu Training Ball. Students were divided into three groups, and each group was assigned a country: Mexico, Brazil, and Japan. The students competed to create the best plan to market Hedstrom's Bosu Training Ball in each group's given country. In the end, the Japan group won, and Hedstrom came away with some creative and innovative marketing ideas. AACED would like to thank Hedstrom Plastics for volunteering to be a part of this class project.

Workforce Development

The Ashland Area Job Fair

Continuing with previous years' workforce development efforts, AACED partnered with Ohio Department of Job and Family Services, Ashland County-West Holmes Career Center, Transformation Network, Mohican Area Growth Foundation, North Central State College, Ashland Area Safety Council, and Ashland University to host another annual job fair in March of 2013. In previous years, the job fair was geared specifically toward the promotion of manufacturing jobs. This time, the job fair was opened up to employers of all types. The jobs available at the job fair represented a range of fields: manufacturing, health care, transportation, warehousing, and retail.

The event was a success as 400 job seekers came through the doors of the AU Convocation Center looking for quality jobs from a total of 26 different employers. In addition to employers, 5 training providers attended: the Ashland County-West Holmes Career Center, ToolingDocs, Transformation Network, North Central State College, and Trainco, Inc. With the increasing skills gap in the Ashland area, we found it was essential to advertise affordable training opportunities to those looking for quality positions that require specific education.

Based on the continued success of this event, the job fair committee plans to continue it on an annual basis.



Enterprise Zone and Community Reinvestment Area Activity



Development
Services Agency

AACED manages the majority of Enterprise Zone (EZ) and Community Reinvestment Area (CRA) agreements within Ashland County. When a company constructs a new facility or adds an expansion onto an existing facility within an EZ or CRA, that company has the opportunity to apply for a tax abatement through the Ohio Development Services Agency. In Ashland County, companies can receive a maximum abatement of 75% for 10 years for an EZ or 50% for 10 years for a CRA.

In 2013, AACED assisted Chesterland Productions in applying for and receiving a CRA tax abatement for the construction of a new warehouse on Westlake Drive in Ashland. AACED also began efforts to create new CRAs in other areas of Ashland County as well as revise the current CRAs within the city of Ashland.

Thank you to all who invested in AACED in 2013

The Importance of Our Investors

Without our investors, AACED could not exist in the capacity that the Ashland area needs to fulfill our area's growing economy. We are incredibly thankful for every investment we receive, big and small. Our investors share our passion in supporting the vitality of area business and growth of our communities.

If you would like to share in the support of our area's economy, please consider an investment in the Ashland Area Council for Economic Development. Contact our office to learn more about this opportunity.

Leadership Level

City of Ashland
Ashland County
Mohican Area Growth Foundation

Gold Level

Ashland University
Enterprise Parkway Leasing
Hedstrom Plastics, Inc.
Samaritan Regional Health System

Silver Level

American Augers, Inc.
Enterprise 250, LLC
Hillman Precision, Inc.
Lorain-Medina Rural Electric
Ohio Electric Control
Schoonover Industries, Inc.

Bronze Level

Ashland Area Chamber of Commerce
Spire Advertising
Whitcomb & Hess

Other Investors

Ingmand/Whitaker Myers Insurance
Star Design Build
Stephen Stuart



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