

# Van Wert County BRE Task Force Final Report 2006

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*Welcome Home*

VAN WERT COUNTY • OHIO  
ECONOMIC DEVELOPMENT GROUP



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## 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 up to 80% of all net change in local employment, and up to 90% in rural areas. Recognizing the importance of local firms, the Van Wert County Economic Development Group has established an on-going Business Retention and Expansion (BRE) Program to assist these firms in achieving their growth objectives and to improve the overall business environment in Van Wert.

## BRE Program Objectives

The objectives of Van Wert BRE Program are to:

- Identify and address concerns and issues of existing businesses by creating a value-chain of partners, including local and state government as well as private organizations and enterprises.
- Identify opportunities to stimulate local job growth.
- Establish and maintain an ongoing program that develops and fosters long-term positive/productive relationships among public and private entities in Van Wert.

## BRE Program Outcomes

Expected outcomes of the program are to improve services, grow existing businesses (e.g., new markets, new products, partnerships, spin-offs, suppliers, etc.), enhance organizational visibility, and retain the quality of life in Van Wert.

## BRE Program Participants

Since 1999, the Van Wert Economic Development Group has surveyed existing businesses about their perceptions, plans, and concerns. An annual membership is maintained with the OSU Extension BRE Initiative utilizing Survey Gold and other BRE tools to assist in accomplishing an effective local program. The local BRE Initiative is sponsored by the Van Wert County Economic Development Group, with Nancy Bowen acting as Coordinator and working with a Task Force identified from the ED Advisory Group. Task Force members represent various segments from throughout the community including local and county government, business, education, and community economic development. See Appendix B for a list of the 2006 BRE Task Force members.



## Demographic Overview

- Good population base for a rural area, with significant population in the surrounding counties. Labor force within a commutable distance of 40 minutes is roughly 320,000.
- Older median age. The median age is 36.2 years, compared to 35.5 years for the state and 34.9 for the nation.
- Significantly lower household income versus state and nation. In 2000, the household was \$35,491, while the state of Ohio was \$39,454 and the nation, \$43,458. Also, average wages in all sectors are well below state averages.
- Household income indicates an underemployment potential. 49% of households have a median income of less than \$35,000 per year, indicating a potential for second-income earners (a source of office/retail employees).
- Relatively low poverty rates. 1999 poverty numbers show an overall rate of 6.4% for the county and 11% across Ohio for all persons
- .Heavily manufacturing-directed employment base, particularly in automotive sector. 41% of the workforce is employed within manufacturing, vs. 21% for the state, 15% for the nation. 80% of the manufacturing employment is within the automotive sector.
- Services sector is well below national and state averages, but growing; mostly in health services. This is typical of rural counties throughout the Midwest.
- Strong agricultural base.

## Economic Development Overview

The following are excerpts from the Annual Report given at the Economic Development Group Dinner in July, 2006.

- 2006 confirmed a positive growth trend for the three years since 2003, a benchmark year marking the end of the recession that ushered in the decade. As we continue to see further diversification of the manufacturing, service and retail base, the growth is expected to continue to gain strength.
- The single largest and most publicized cooperative initiative of the past 12 months was the effort to attract Honda. By working together collaboratively, our region gained international recognition as a superb business location. The opportunity also opened up the possibilities for a mega site that has the potential to attract a single large manufacturing user that would have significant regional impact.
- Led by the health care industry, the service industry is strong and growing steadily, particularly with the expansion of Central Insurance Companies and the Van Wert County Hospital system. All told, one quarter of the new jobs created since January, 2005 have been in the services sector.
- Retail is gaining ground with the opening of Towne Center in October, 2005. Retail sales are improving and the leakage rate has been reduced while retail sales have increased since 2003.
- Main Street and the south side have also contributed to the expansion of retail sales, primarily through existing retailers who have remained competitive. At least 300 net new jobs have been created in the retail sector this year.
- Agriculture is a very important traditional industry in Van Wert County. The industry is in an excellent position to capitalize on related emerging industries in energy and polymers, an advantage and an opportunity for the entire region. Although the number of farms has decreased in recent years, output has increased with the size of farms becoming larger and with new and advanced technologies.

- The Community is celebrating a new HS/Middle School and soon-to-be-open Performing Arts Center. Strong local support for Police and Fire, Downtown and the Hospital. These commitments by citizens and local governments will pay huge dividends in the growth and long term sustainability of Van Wert County.
- In 2006, there was a continued emphasis on expansion of services provided by the new Van Wert Innovation Center, which opened in January, 2005 to encourage entrepreneurship and the startup of small business. County and City loan programs are critical to the success of small businesses, offering at-risk financing to assist businesses. Loan programs have grown in 2006, from a portfolio of approximately \$700,000 to \$1.25 million.
- Targeted marketing efforts were ramped up in 2006 to include a national ad campaign using our new brand “Welcome Home”. Our economic development web site was also revamped and launched in June. Lists of targeted “leads” are being worked and tracked through the WALT tracking system.



## BRE Survey Highlights

The following is a summarization of the results of the 2006 BRE survey.

**Respondent profile.** 180 businesses, both retail and industrial were mailed surveys (sample results from manufacturers in Appendix A). Fifty-one responded, yielding a response rate of 28%. Of the 51 respondents, 35 were retail or service businesses, 16 were manufacturers. There was a good cross section of businesses by size with 10 having over 50 employees, 12 companies with between 20-50 employees, 11 with 11-20 employees and 18 with fewer than 10. Almost half of the respondents are privately held companies and the majority of the remainder are family-owned. Only five who responded are publicly held. The majority, 60%, have been operating in Van Wert more than 10 years and 82% own the space they are occupying.

Task Force members followed up with 24 of the 51 businesses, visiting 19 during March and April. In addition, for the second year running, a BRE “Blitz” was conducted in downtown Van Wert, with 13 retail and service business visited during the last week in March. A total of 32 businesses were visited, the vast majority in March and April. Businesses were chosen for visits for three reasons: 1) they requested a visit, 2) they were “red flagged”, or 3) were targeted because of location in downtown or on the south-side. Businesses who indicated plans for expansion or plans for closing or leaving the County, or if there was a specific problem, were red flagged for a visit by the Task Force.

### **Business Visited During 2006 BRE Program**

#### **Manufacturing**

1. Thyssenkrupp Budd Company
2. Quality Sorting & Assembly
3. Braun Industries
4. Federal Mogul
5. CW Farms
6. Universal Lettering
7. Plastic Recycling Technologies
8. Teleflex
9. KAM Manufacturing
10. Leesburg Looms
11. Life Star Rescue
12. Eaton Corporation
13. Kennedy Manufacturing
14. Cooper Farms



### Retail and Service

1. Hires BP
2. Monro Muffler
3. Spelling Bee
4. Pick N' Save
5. Hearth & Home
6. Marsh Grocery
7. VW Bicycles
8. DeShia
9. P&R Medical
10. Francis Furniture
11. Time Well Spent Antique Mall
12. State Farm Insurance
13. Years Ago Antique Mall
14. Peking Restaurant
15. Taylor, Young & Yarger Atty's
16. Impressions Hair & Nail
17. Bee Gee Realty
18. Community First Bank & Trust

In the 2006 survey, respondents were asked if a given list of features enhance or detract from a positive business environment in Van Wert County. The results are as follows:

- **Growth Plans/Employment.** 21 of the 51 companies who responded to the BRE survey reported plan to expand, with over half of these businesses planning to add jobs within the next 12 months. Four respondents plan significant expansions. The number of new employees planned to be added is estimated to be 170. 100 of these jobs are being added by Braun, KAM, Cooper Foods, and Plastic Recycling Technologies. Most jobs are being added in the manufacturing sector. Overall, according to previous BRE reports, about 1,200 jobs have been created since 2003, getting us back to pre-2000 employment levels. Three businesses are considering selling, one is considering closing and two may move to another location within Van Wert.
- **Labor Force/Training.** The labor force was ranked average or above by 80% of employers surveyed. Employee training is a critical issue in the retention and expansion of businesses. The top six skills the Van Wert businesses identified as the most needed in their current and potential employees were computer skills (15%), professional, sales skills (12%), Customer service skills (11%), and

managerial skills (11%). The four skills that 45 of the businesses felt potential employees needed were word processing, communications, basic math and employee management.

- **Community/Services.** All but four of the fifty-one respondents would encourage other businesses to locate in the County. 85% rate Van Wert's quality of life good to excellent. Half of the respondents live in Van Wert. Three-quarters of the companies ranked community services, including, police protection; hospital and emergency medical services, K-12 schools and technical schools as good to excellent. The following factors were rated "Fair" or "Poor": access to higher education, public transportation, hotel and conference facilities, and recreational services. Costs ranked highest by the most businesses are health care insurance costs and property taxes.

## Appendix A: Sample Survey Results (Manufacturing)

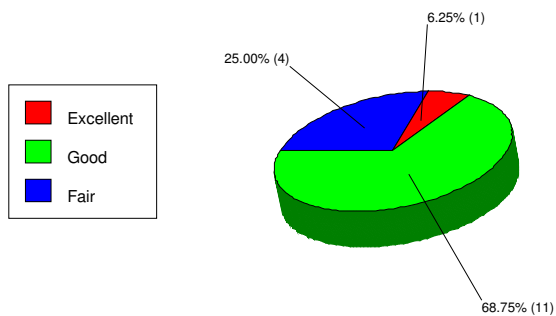
### Respondents

Local business responses in the Manufacturing sector.

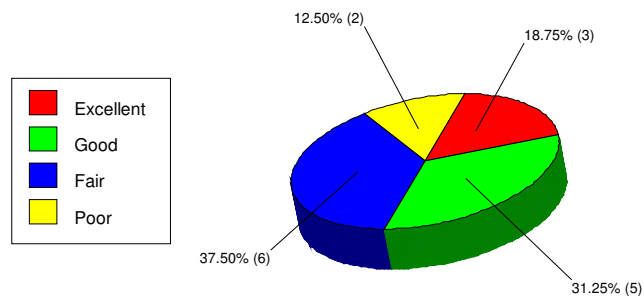
### Section A – Employment and Training

How would you rate the local labor force?

#### 1. Quality

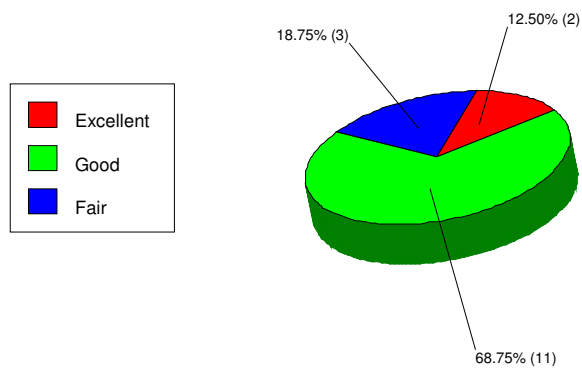


## 2. Quantity

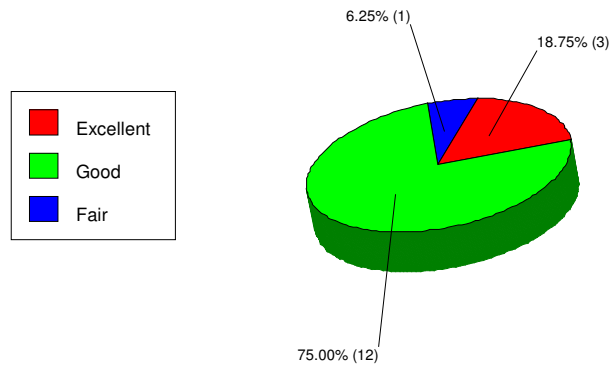


**How would you rate the quality of life in Van Wert?**

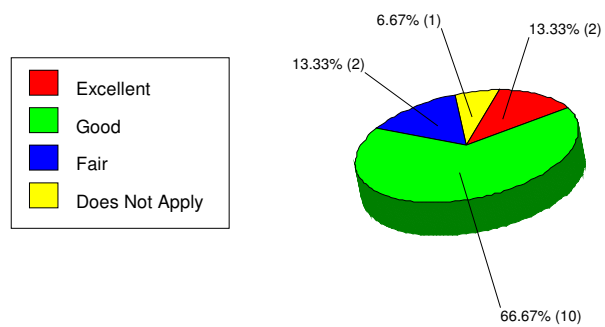
## 3. Quality of Life



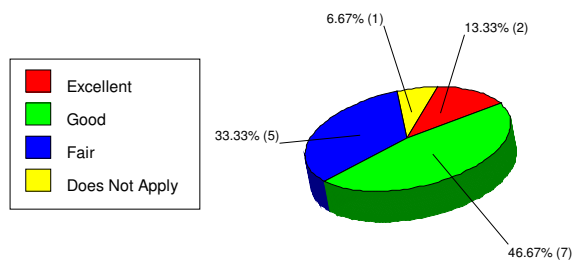
## 4. Roads, Highways, Freeways



## 5. Hospitals

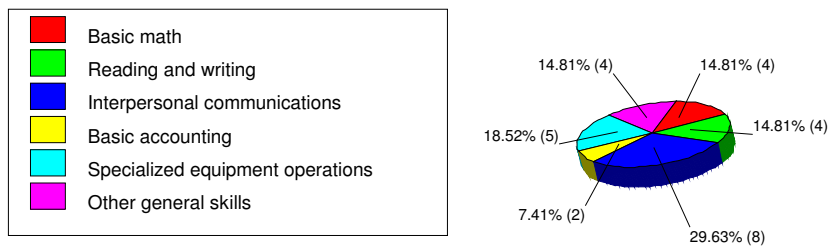


## 6. Schools (K-12)

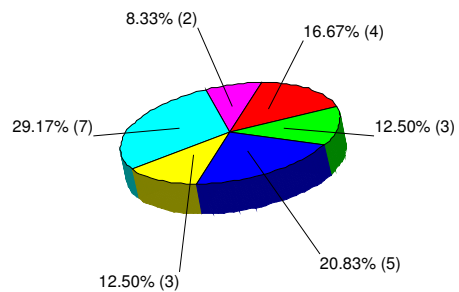


**If you feel your current employees need training, what type of training is needed?**

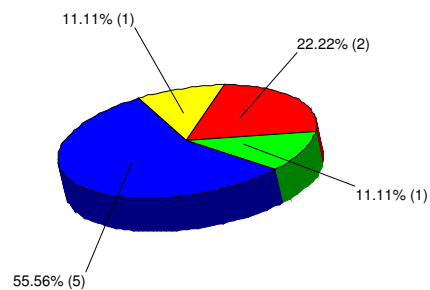
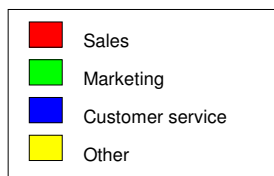
## 7. General Skills



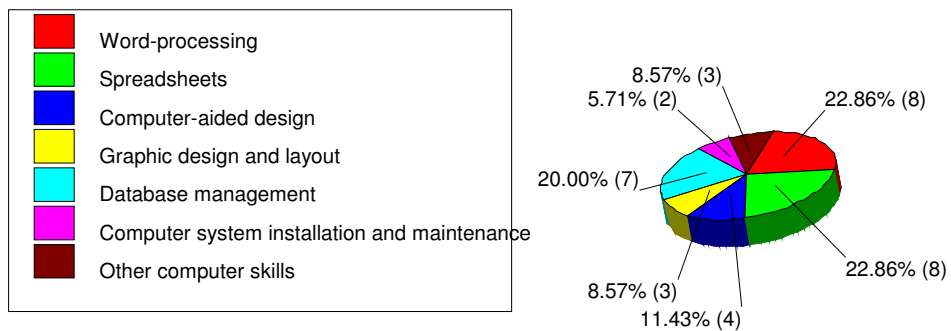
## 8. Managerial Skills



## 9. Professional Skills

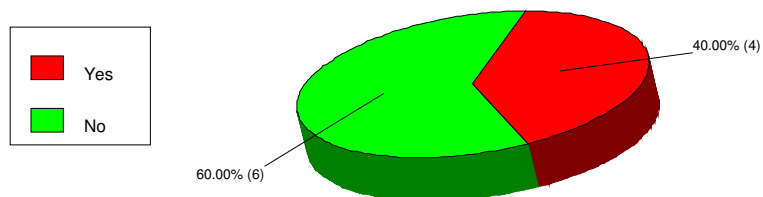


## 10. Computer Skills

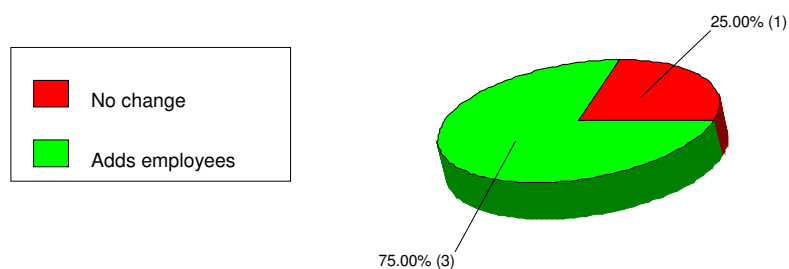


**Section B - Business Investment**

**11. Do you have any plans to modernize or expand your present building(s) or equipment?**



**12. What impact will this have on the number of employees?**



## Appendix B: BRE Program Task Force Participants

### BRE Task Force members

Nancy Bowen, Coordinator, Van Wert County Economic Development Group

Clair Dudgeon, Van Wert County Commissioner

Don Farmer, Mayor, City of Van Wert

Brad Guest, Mayor, Village of Convoy

Jodie Perry, President, Van Wert Area Chamber of Commerce

Phil Braun, Braun Industries

Brian Greve, Greve Chrysler, Jeep, Dodge Dealership

Jim Stripe, Superintendent, Thomas Edison Center School

Jon Hall, Hall Lumber

Dr. Stephen Mercer, Superintendent, Vantage Career Center

Jim Grant, Adult Education Coordinator, Vantage Career Center

Robb Krecklow, Publisher, Van Wert Times Bulletin

Ryan Adam, Farm Bureau

