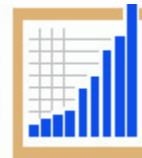


# City of Lancaster Economic Development Marketing Plan



**L A N C A S T E R**  
**ECONOMIC DEVELOPMENT**



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in association with M. Arcari Associates, LLC**

**The following is taken from the City of Lancaster's recently completed Economic Development Marketing Plan and provides a sense for the targeted focus of the City of Lancaster's proactive program for business recruitment.**

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## Introduction

The City of Lancaster has the opportunity to pursue a program of vigorous economic growth for the community. The City and surrounding area possess a number of assets which can provide the foundation of an economic development initiative resulting in the increase of jobs, investment and economic vitality to Lancaster and Fairfield County. The key to success is to ensure that all of these resources are utilized in a timely and well-coordinated fashion to realize the maximum benefits to the community.

## Current Overview

Lancaster has two primary areas for economic development focus. The first is the **Rockmill Industrial Park** area (see map). The City works in close partnership with the local Lancaster Area Community Improvement Corporation in the development of this rapidly growing westside industrial district. Businesses operating in the park are of a diverse nature with the largest, Anchor Hocking Distribution and Crown Cork and Seal, employing over 300 of the area's total of 670. The total area of Rockmill is presently 345 acres including 2.2 MM sq. ft. of buildings, with future expansion possibilities of up to 625 acres.



The industrial area interfaces with U.S. Rt. 33 via Collins/Lithopolis Roads and West Fair Avenue. The new Rt. 33 Lancaster by-pass will provide immediate access to the park at the St. Rt. 188 interchange. Rail service is feasible via a short line provider, Rail America, which connects with CSX Transportation in Columbus.

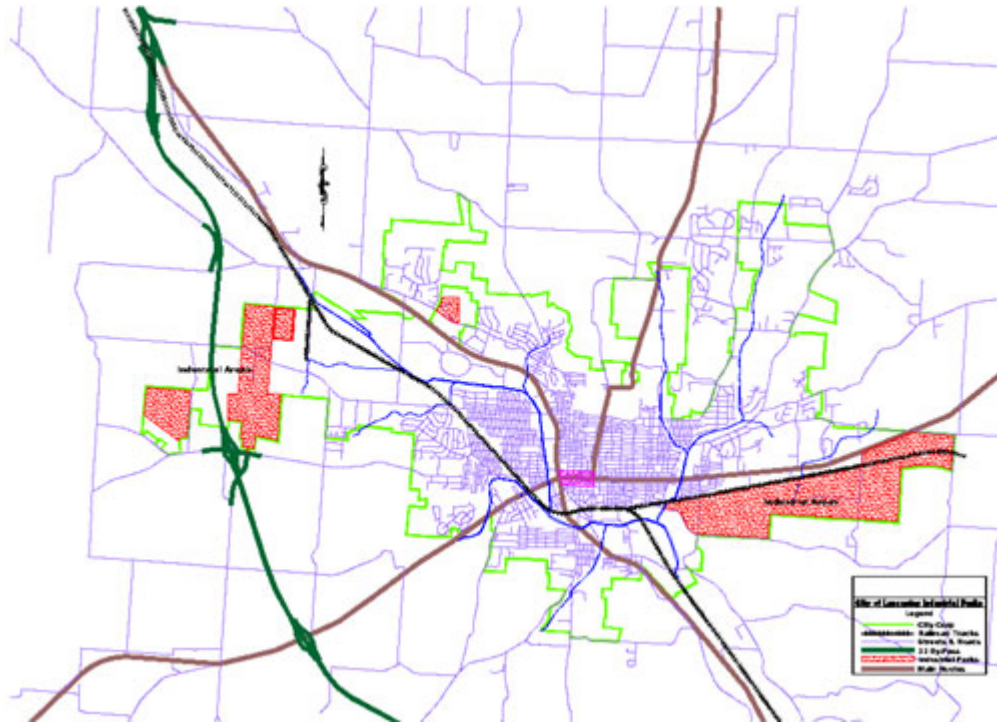
Both water and sewer services are provided to the industrial area by the City of Lancaster, which has adequate current capacities and expansion plans underway for future growth. The area is served with electricity by South Central Power Company and natural gas is provided by the Lancaster Municipal Gas Company, which has its service and maintenance facility located in the Rockmill area on Campground Road.

Air passenger transportation is available from Port Columbus International Airport in Columbus, and the Fairfield County Airport has nearby facilities for private and corporate aircraft. Express air freight services are available at the Rickenbacker International Airport in Columbus.

Another prime location for industrial and commercial development is the **Quarry East Commerce Park area** (see map). Located adjacent to St. Rt. 22, approximately 2 miles east of U.S. Rt. 33, this area is home to major production facilities for Ralston Purina and Diamond Power. Large site possibilities of up to 200 acres with full utility services (water, sewer, gas, and electric) are available. The City provides municipal water, sewer, and gas services to the industrial area, and American Electric Power is the provider of electricity. An existing Rail America line connects with CSX Transportation in Columbus for immediate rail service. The Quarry East Commerce Park has over 500 industrial zoned acres in the vicinity ready for development.

Other areas with potential for continued industrial and commercial growth include the **Lancaster Industrial Park** and the **Hubbard Industrial Park**. Lancaster Industrial is owned by the City and offers small users (1-5 acres) attractive location alternatives within the Rockmill area. Hubbard Industrial is located just off U.S. Rt. 33 in the northwestern part of Lancaster and has property available for development. Both parks are fully served by utilities and have excellent transportation access.

## City of Lancaster Industrial Park Map



**Industrial Park Map Download**  
[\(Drawing Web Format\) 359 Kilobytes](#)

## Key Competitive Assets

With the completion of the new \$160 MM U.S. Rt. 33 Lancaster by-pass (1st phase to the Rockmill Industrial Park later this year, and total project by 2005) many of the valuable business and cultural resources of the Lancaster community will become even more accessible to the Central Ohio region, other parts of the state and the rest of the country. The reduction in travel time for both cars and trucks traveling the U.S. Rt. 33 Corridor through Lancaster will result in



the community being a more attractive place to do business. Coupled with the completion of the Hill-Diley Interchange in 2004 and ODOT's overall efforts to return Rt. 33 to a limited access highway, there will be increased opportunities for business attraction and expansion in the City. Some of the area's key assets which will enhance this growth include:

✓ [Available Skilled Workforce](#) – A reduction in the manufacturing sector over the past 20 years has resulted in a loss of employment opportunities for local workers with advanced skills. Over 50% of the Fairfield County's 60,000 workforce travel to Franklin and other surrounding counties for better employment opportunities each day. In addition, there are labor surpluses in counties southeast of Lancaster including: Hocking, Vinton, Meigs, and Athens which will have shorter commute time with the completion of the by-pass.



✓ [Easy Access to Markets/Customers/Suppliers](#) – Businesses can reach out to over 60% of the North American population in one day's truck drive from Lancaster industrial parks. The by-pass will enable quicker drive times to Central Ohio and other regional markets for product and service delivery. This is especially important for "just-in-time" industries such as auto and truck parts manufacturers and distribution centers.

✓ [Competitive Land Cost](#) – In comparison to Columbus and other suburban Central Ohio competitors, Lancaster industrial property cost is at least 30-50% less. This lower land cost can be a deciding factor on projects that require large tracts.



✓ [Reasonable Property Taxes](#) – Fairfield County tax rates are at least 30% lower than communities in Columbus and its surrounding suburbs. This rate difference is before any tax incentives.

✓ [Available Services and Suppliers](#) – Lancaster and Fairfield County have a surplus of small to medium size companies providing custom machining, welding, metal fabricating, and other services necessary to support value-added manufacturing industries such as auto parts, plastics, glass, and packaging.

✓ [Education & Training Resources](#) – Ideally situated midway between the main campuses of both the Ohio State University in Columbus and Ohio University in Athens, employers have access to student populations in excess of 75,000 and extensive academic programs from business to scientific research.



Locally the Ohio University Lancaster branch offers a wide range of courses leading to a 4 year bachelor's degree. Hocking College in nearby Nelsonville offers 2 year programs including nursing and environmental studies.

✓ [Proximity to Urban Amenities](#) – Lancaster is just 30 minutes from the “big city” activities of Columbus. Professional hockey and soccer, museums, theaters, restaurants, and up-scale shopping mall experiences are a short drive away.

✓ [Access to Airports](#) – Both Rockmill and Quarry Road are ideally situated between two major airport facilities in Columbus. Port Columbus International Airport for passenger flights and Rickenbacker International Airport for air freight and charter service are 30 minutes by car. Less than 5 minutes from Rockmill on U.S. Rt. 33 is the Fairfield County Airport with facilities for private and corporate aircraft.



✓ *Gateway to Parks and Recreation* –

In addition to the local recreation & leisure possibilities afforded by attractive city parks, the Lancaster area also has convenient access to a number of beautiful state parks in the nearby Hocking Hills and surrounding area. Boating, fishing, horseback riding, hiking, and relaxation at a bed & breakfast or state lodge are less than a half hour drive from the City.



### **Targeted Business Attraction**

The key location assets previously identified help to provide a basis for the types of industries which will be actively recruited to the Lancaster industrial park community. These strategic resources will be utilized to promote the attraction of specific types of businesses to the area. With this in mind, the industry targets are a mix which (1) will enhance and add to the diversity of the current business population (2) increase essential tax base in the area (3) pursue the highest quality of jobs and investment and (4) provide an overall balanced approach to economic development for the City.

### **Targeted Sectors**

✓ *Glass Industry & Related Activities* – With almost a century of tradition in the glass industry, and local companies with the name recognition of Anchor Hocking and Lancaster Glass, Lancaster is a “natural” for businesses looking for the products and services associated with the glass industry. Glass and related activities still employ over one third of the manufacturing workforce. Companies that manufacture, process, or utilize glass products in their operations are important to the long term success of glass production in Lancaster. Targeted areas for recruitment include:



- House wares
- Decorative & Specialty Glass
- Industrial & Laboratory Glass
- Medical Glass
- Other Glass Product

Additionally, to enhance upon the existing glass industry, make use of the abundant local technical expertise and diversify the business activities associated with it, the following sectors are also included for targeted attraction:

- Food Products
- Cosmetics
- Body & Personal Care Products
- Product Packaging & Labeling
- Lighting

✓ *Medical Services/Health Care Products* – The Fairfield Medical Center in Lancaster provides a wide range of medical services for Fairfield and the surrounding rural counties of Perry, Hocking, Vinton, Meigs, and Athens. With the hospital currently expanding its 222 bed main facility, an increase in professional staff, and plans to offer additional services, FMC is a catalyst for economic growth in the City. Business activities which will lend synergy to the hospital’s efforts and also add great value to the local economy include:

- Medical Equipment Vendors
- Medical Product Suppliers
- Medical & Biotechnology Research
- Innovative Medical Technologies
- Nursing and Healthcare Professional Training Programs



✓ *General Manufacturing* – The area is currently home to a wide variety of traditional business activities which are supportive to the manufacturing industry. Lancaster and Fairfield County have numerous small to mid-size machine shops, welding operations, and metal fabricators, serving the local and Central Ohio markets. With improved transportation accessibility of the U.S. 33 by-pass, there are tremendous opportunities for companies looking for proximity to qualified suppliers and the available workforce of Southeastern Ohio. Companies benefiting from a Lancaster industrial park location would include:

- Auto Products
- Home Appliances
- Electrical & Electronic Products
- Tool & Die Manufacture
- Plastic & Polymer Products
- General Assembly Operations



✓ *Printing and Publishing* – Lancaster is home to a variety of printing operations. From industry leader, Cyril-Scott Co., Inc., with over 350 employees to smaller independent operations, there are 18 printing companies in the area with a workforce of 650. In fact, the printing industry employs approximately 8% of the manufacturing population in the Lancaster area. Offering services including: offset printing, typesetting, and book binding, these companies and workers are a valuable resource to the commercial printing industry, as well as retailers, marketing and advertising firms, educational and training organizations, and assorted other business activities. Operations for attraction in this category include:

- Advertising and Marketing
- Education and Training Publications
- Independent Magazines and Journals
- Labeling and Packaging



✓ *Distribution Centers* – The excellent transportation and marketing logistics associated with the new U.S. 33 by-pass interchange at the Rockmill Industrial Park make this area a natural magnet for product warehousing, distribution, and servicing. Small to mid-size facilities (100,000-300,000 sq. ft.) with owner occupants are best suited to this sub-regional market location. This type of targeting avoids direct competition with the Rickenbacker area communities that have

immediate interstate access, existing developer-owned industrial parks, and a distinct advantage with mega warehousing and distribution operations. Encouraging the development of the smaller, multi-tenant buildings also will present opportunities for a wider range of local users.

- Small to Mid-size
- Company Owned
- Spec Developed for Multi-tenant Use
- Assembly & Packaging Operations



✓ *Small to Mid-size Professional Service Firms* – There is also a need for technical service providers for the industrial, commercial, and residential growth in the area. Located at the center of one of the fastest growing counties in the state, Lancaster has opportunities for mixed development which will include a wide range of office operations that create high paying professional jobs. Some of the interest in this sector may come from firms already doing business in the Central Ohio market from Columbus and suburban locations. New “spin-offs” from these operations, plus local professionals with the potential to work closer to home in a “small town” environment will be likely targets for establishing new businesses. Firms in this category include:

- Engineering
- Environmental
- Design
- Telecommunications
- Architectural
- Research & Development
- Data Processing



✓ *Call/Service Centers* – Telephone service centers ranging from telemarketing of products and services to maintenance and servicing

of existing accounts can create optimum levels of employment per developed space. A 10-20,000 sq. ft. building space can create 100-200 jobs. Although not as high paying as manufacturing or technical positions, wages compare to distribution facilities and hours are flexible and geared toward a part time, student, or second job possibility. Typical call centers will be located in an industrial or mixed office/industrial setting and present attractive building alternatives.

- Consumer products and services
- Financial
- Insurance

### **Business Incentives**

In the competitive market of Central Ohio, there are a host of communities each promoting its location as most beneficial for business. In order to compete on a “level playing field” with Columbus and the surrounding suburban communities, the use of all possible business incentives will be considered. Especially when considering the addition of businesses that will create high paying jobs, large capital investments, involve innovative technologies, or add other benefits to the local community, it is crucial to be able to offer the type of local incentive that will “close the deal.”

#### **Tax Incentives**

✓ [\*Enterprise Zone \(EZ\)\*](#) – The Fairfield County EZ provides tax abatement for real and tangible personal property for up to 10 years. The maximum level of abatement in the City of Lancaster under this program is 75%. The E Z tax exemption is negotiated with a team of local representatives which makes its recommendation to the Fairfield County Commissioners for approval. The EZ program is especially attractive to companies and projects that are making substantial investments in tangible personal property including machinery and equipment. EZ is available at both Rockmill and Quarry Commerce Center.

✓ [\*Community Reinvestment Area \(CRA\)\*](#) – provides tax abatement for improvements to real property. The City of Lancaster presently has a CRA in place at Rockmill Phase I and has the ability to extend it to new areas as the park grows. This tax abatement program provides 100% tax exemption for up to 12 years for new building facilities and other improvements to property. The abatement program is especially

attractive to industrial and commercial developers who can utilize the tax break as an inducement with potential end-users. The program is administered locally by the City of Lancaster.

✓ *Foreign Trade Zone (FTZ)* – is a federal program which provides tax benefits for certain operations. The Rockmill Industrial Park contains 44 acres of FTZ property in which stored merchandise is considered to be in international commerce and not in the U.S. for Customs purposes. The FTZ also provides exemption from the Ohio inventory tax portion of the tangible personal property tax. Location in the FTZ area of Rockmill can greatly reduce property taxes for companies with sizeable inventories.

### **Tax Incentive Policy**

It is critical that any tax incentive or business assistance be directed to accomplish the marketing objectives of the City of Lancaster. Inducements will be weighted to achieve the maximum affect on job creation and investment, quality of business activity, and overall impact on the community. With this in mind, the following is a list of qualities that will be carefully considered in determining levels of abatement. Greater incentives will go to projects that:

- Create high paying jobs
- Create high capital investment
- Create innovative and high tech. jobs
- Enhance existing local industries
- Do substantial business locally
- Contribute locally to schools, community, and other organizations

## Other Business Assistance

✓ [Fairfield County Job & Family Services](#) – offers a wide variety of resources for employers at no cost. The job development team works with employers to determine what their current and future needs are for their workforce and to assist in meeting those needs. Resources include free web-based job postings, the opportunity to review resumes of potential employees on-line, a professional recruiting and interviewing facility, and job fairs. The FCJFS staff has proven success assisting a wide range of employers.



✓ [Fairfield County Revolving Loan Fund](#) – offers low interest loans to companies with no more than 200 employees. The maximum loan amount is \$60,000 and can be used for new construction, purchase of real estate, machinery & equipment, and a portion of working capital needs. Terms are based on asset life with a maximum of 15 years for land and buildings. Interest rates can be up to 4 points below prime.

✓ [Tax Increment Financing \(TIF\)](#) – permits service payments in lieu of real property taxes to be used for the finance of public infrastructure improvements connected to a development project and declared to have a “public purpose.” Up to 75% of real property taxes can be exempted for up to 20 years to cover the costs of road, water, sewer, and other public improvement. The City of Lancaster has the ability to approve the establishment of a TIF district for the affected property(ies) and thus creating an income stream for the repayment of important development infrastructure costs.

✓ [Infrastructure Grants](#) – are available to a local political subdivision such as the City of Lancaster on a case-by-case basis from the Ohio

Department of Development. These grant programs are targeted toward road improvements, utility extensions, and other infrastructure needs which are instrumental in making a project go forward. ODOD considers the job creation and investment level when determining grant amounts. The City of Lancaster must apply for the assistance on behalf of the project.

✓ *Other State Programs* – depending on the type and size of project, the State of Ohio has a wide range of programs to assist companies creating employment and investment. These programs include business income tax credits, cost reimbursement and tax credits for employee training, and tax break for new equipment and warehouse inventory. The City will actively pursue these options for eligible projects.