ECONOMIC DEVELOPMENT
DRAFT RECOMMENDATIONS

Introduction

More than 42,000 people work every day in Greater Downtown. They’re employed at financial institutions, professional services firms, health-care related sectors and educational institutions. Others who work in mom-and-pop businesses and staff hotels, nightclubs and other service businesses, while hundreds entertain people in Dayton’s varied arts and cultural venues. As emerging technology companies populate the employment landscape, a growing number of people work for high-tech and aerospace-related companies. Greater Downtown’s workforce is diverse and talented.

There is no doubt that Greater Downtown is the economic engine for the City of Dayton. It represents nearly 40 percent of the total jobs-generated income tax revenue for the City of Dayton that funds city services in Dayton’s neighborhoods and downtown. Of paramount importance, it also is the region’s largest employment center. Its health and vitality are critical not only to Dayton’s economic future, but also to the region’s overall prosperity and wellbeing.

During the past decade or longer, the City of Dayton has experienced an estimated 13 percent reduction in jobs. This trend will continue unless drastic measures are put in place to reverse it. In recent years, significant steps have been taken to begin the transformation of Dayton’s economy and create a new base of employment. Much of this work is outlined in City Plan 2020: Focus 2010 & Beyond, as well as in this plan. Much work lays ahead as these and other strategies are implemented to transform and grow Dayton’s economy and create jobs. The foundation of this work lies in the following key strategies:

- Retain and grow downtown businesses and institutions in the face of fierce and growing relocation competition.
- Recruit and incubate new businesses.
- Find new ways to compete in an increasingly specialized knowledge-based global economy.

All these key strategies have a shared goal: Create a place where companies want to locate and employees want to live by making downtown a more vibrant, healthy urban center.

Overall goal

Develop a pro-business environment that leverages Greater Downtown’s authentic cultural, institutional, educational, architectural, transportation and leadership assets to create a business center known as a hub of creativity and innovation, where a diverse and talented workforce and the businesses/institutions that employ them choose to locate.
Core Objectives

- Establish a pro-business environment in which businesses can grow and prosper.
- Identify target industries and their associated supply chain and implement proactive recruitment strategies.
- Retain and support the growth of businesses located in Greater Downtown.
- Provide a qualified workforce that better reflects the needs of area businesses, particularly those in the targeted industry clusters.
- Create marketable places and spaces by leveraging Greater Downtown’s authentic cultural, structural, architectural and transportation resources that attract young talent and the creative class.
- Implement a leading-edge broadband/wireless connectivity plan for Dayton that will differentiate it from other communities, provide an unparalleled competitive advantage and ultimately result in the creation of jobs, and other unique economic development opportunities in the future.
- Develop and implement a strategy to right-size the downtown office market, identify shovel-ready sites and transition underutilized space to other, more productive uses.
- Establish Dayton with the State of Ohio Aerospace Technology Hub designation.
- Participate in the dynamic technological developments that are occurring in the areas of data management, sensors, advanced materials/manufacturing and aerospace.
- Establish Greater Downtown as one of the premier centers in the nation for entrepreneurs to receive a comprehensive and integrated system of support services.

KEY RECOMMENDATIONS

Create a comprehensive broadband plan that will provide a unique competitive advantage to companies, institutions and residents who locate in Greater Downtown, creating jobs and other economic development opportunities.

In today’s economically competitive environment, the City of Dayton no longer competes only with other Ohio metro areas and its own suburbs — it competes in a world market. Now, to compete effectively for jobs and residents, the City must significantly differentiate itself from other communities. One of the ways it can do this is by developing a leading-edge broadband connectivity plan that will provide all stakeholders with access to a broadband connection that is not only economically reasonable but technologically robust and advanced. High-speed broadband networks are utilized by virtually every kind of business, but such networks are especially in demand by data-intensive businesses — the kind of businesses the modern economy is creating. A proposed wireless network would deliver broadband at speeds exceeding 4Mgb/second and deliver real-time mobile communications for healthcare and advanced public safety communications, as well as provide added connectivity for utilities and businesses, promote regional efficiencies, foster job growth, and increase and encourage broadband adoption.

1. Seek funding through the American Recovery and Reinvestment Act Fund (Broadband Stimulus Funding). The request of $7 million made in August 2009 would enable the implementation of a hybrid wireless and fiber broadband system throughout the city.

2. If funding is secured, develop strategies to incorporate the broadband plan into overall economic development activities. Key opportunities include:
   - high-speed voice, data and video communications for businesses;
   - e-Health networks (electronic medical records, health information, virtual healthcare, etc.); and
   - Direct interconnectivity among community anchor institutions (educational, research and development, and healthcare and businesses).
Continue the development of Tech Town as a high-tech, urban live, work and play district focused on the development, application and commercialization of new technologies and technology businesses.

Tech Town reflects Dayton’s transformation from a city primarily known for its manufacturing companies to a city recognized for its technological strengths. It is intended to encourage and accelerate this transformation by serving as a setting where business, academia and government strategically work together to support the region’s core competencies in aerospace, sensors, radio-frequency identification (RFID) technology and data management. The Tech Town campus will enable Greater Downtown to provide development-ready real estate and spec building space to attract and grow businesses engaged in the City’s targeted technology sectors. The real estate product will be designed to meet today’s market needs, including large horizontal floor plates and green technology, as well as offer other compelling amenities.

1. Anchor the Webster Station neighborhood as a live, work and play district.

2. Attract young, creative technology professionals sought by companies.


4. Drive the City’s “industry cluster” strategy.

5. Serve as the northern anchor of the Aerospace Hub.

6. Enable the City to participate and benefit from the regional aerospace and federal Base Realignment and Closure (BRAC) initiatives.

7. Meet the following goals for Tech Town:
   - By 2020, create approximately 400,000 square feet of office, prototype development and applied research space.
   - By 2020, create 2,500 jobs.
   - Incubate and accelerate small business growth by creating 150 new businesses by 2020.
   - Begin construction of Building No. 2 (60,000 sq. ft.) during spring 2010.
   - Begin construction of Building No. 3 (50,000 sq. ft.) during spring 2011.
   - Complete build-out of entire campus in 2020.

**Develop a strategic plan for the newly designated State of Ohio Aerospace Hub.**

The State recently designated the Ohio Aerospace Hub, a specific geographic area that generally aligns with Greater Downtown, stretching from Tech Town south to the University of Dayton. The State’s urban economic development strategy and designation is geared to foster the concentration of companies, technology intermediaries and knowledge assets in aerospace within a defined geographic proximity.

1. Leverage the hub status to provide Greater Downtown with a unique opportunity to attract State dollars to support entrepreneurial and productivity assistance, capital access, technology development and infrastructure improvements.

2. Use the Aerospace Hub strategy, coupled with targeted resources, to create a sustainable critical mass of creative talent and innovation in Greater Downtown that will enable:
   - deployment of applied technology into the marketplace;
   - active channels for business transactions;
   - shared specialized infrastructure, labor markets, risk capital and services;
• competitive advantage drawn from mutual proximity and connections; and
• participation in technological development in the areas of aerospace, advanced materials/manufacturing and sensors.

Strengthen and expand the cohesive and coordinated retention and expansion program to help grow and nurture existing downtown businesses and institutions.

Nationwide, the retention and expansion of existing businesses accounts for more than 80 percent of total job growth. Executing an effective retention and expansion program is the best opportunity to create jobs in Greater Downtown. Through a collaborative effort, the City of Dayton, the Downtown Dayton Partnership, CityWide Development, Montgomery County and the Dayton Area Chamber of Commerce maintain an aggressive, strategic retention program.

1. Increase the engagement of community leaders in retention efforts by expanding the Downtown Dayton Leadership Network, a peer-to-peer visitation program, beyond the core of downtown.

2. Strengthen collaborative efforts through the Dayton Business Resource Center to better assist and address the needs of existing businesses.

3. Effectively target at-risk companies and engage them in the retention process so those businesses can immediately be connected with needed resources and expertise.

4. Identify expanding companies so future needs proactively can be addressed strategically and at a rapid pace.

Right-size and diversify Greater Downtown’s office product to adapt to the emerging needs of businesses in the new economy.

The region’s supply of commercial/industrial space and development-ready land is greater than the demand. Yet plans for future development continue. In this atmosphere, downtown must compete more aggressively to meet the needs of businesses. To do this, downtown must:

• diversify its office product;
• offer space options that adapt to emerging business trends;
• right-size total office space inventory;
• strategically transition some of its rich architecture to other uses; and
• identify strategic opportunities for shovel-ready sites and future development opportunities.

1. Develop campus-like office space, such as Tech Town, that provides competitive advantages and benefits.

2. There is a strong demand for unique urban space that is attractive to the creative class and other related sectors. Downtown has rich architecture unlike anything else in the region. Specific development and funding strategies must be established to transition underutilized buildings to mixed use, housing and other more productive spaces that meet the needs of this sector.

3. Downtown also has some commercial buildings that are obsolete. Develop strategies to repurpose these buildings and/or potentially take them down, including:

• The Strategic Reuse Project, a partnership with the local chapter of the American Institute for Architects and 10 local architectural firms to develop potential uses for 10 buildings. More than $200,000 of professional services has been donated to this effort. The next step is to seek a company or organization to redevelop these buildings.
• Main Street Corridor Fund, an incentive program developed by the City of Dayton that provides gap financing grants for developers investing in vintage buildings in the core of downtown.
4. An analytic review is underway to project the future office needs for Greater Downtown. By comparing peer cities and using other data, a determination can be made as to the right-sizing of the downtown office market. This analysis will be completed by mid-October 2009 and more specific strategies will be developed.

5. To rapidly respond to potential business expansion and relocation, identify and plan for future development opportunities on strategic sites in Greater Downtown, including:
   - NCR World Headquarters building
   - Montgomery County Fairgrounds
   - Patterson Co-op site
   - riverfront development
   - Dave Hall Plaza
   - other shovel-ready sites

6. Although there may be sensitive issues and/or differing opinions regarding the highest and best uses for these and other potential development sites, each must be evaluated so opportunities can be seized and acted upon in a proactive manner.

**Adopt an industry clustering strategy to create and leverage the proximity and concentration of interconnected companies.**

*The purpose of this strategy is to create new industries, businesses and jobs by establishing centers of intellectual know-how for specific niche sectors. Each of the industry cluster initiatives identified also constitutes significant opportunities for Greater Downtown to engage and benefit in new economic development opportunities. The industry clusters and their relationships to Greater Downtown include:*

- **Aerospace:** Downtown is conveniently located just 10 minutes from Wright Patterson Air Force Base (WPAFB), the largest air base in the United States and home to the USAF Research Labs.
- **Hospital/Health Care:** Greater Downtown embodies large and small hospital health care institutions and healthcare-related businesses that employ more than 10,000 workers, including Miami Valley Hospital, Grandview Hospital, Dayton Children’s Hospital, Elizabeth Place and CareSource.
- **Data Management/Sensors/RFID:** Tech Town is home to the Dayton RFID Convergence Center and to the Institute for the Development and Commercialization of Advanced Sensor Technologies (IDCAST). Both technologies necessitate the need for sophisticated data management providers to mine, manage and manipulate the data gathered by RFID and Sensor Technologies.
- **Advanced Materials/Manufacturing:** The University of Dayton Research Institute is ranked second nationally in terms of advanced materials research.
- **Heritage, Cultural and Recreational Tourism:** Downtown has an opportunity to capture tourism dollars by leveraging its historical, architectural, recreational and cultural assets.
- **Professional/Financial Institutions:** Downtown is the hub to most of this region’s professional services firms and financial institutions.
- **Center of Excellence for Education:** Sinclair Community College, the University of Dayton, a variety of technical schools, and award-winning high schools all are located in Greater Downtown.

1. Create a strategy for Greater Downtown to capture tourism dollars by packaging and promoting its historical, architectural, recreational and cultural assets.

2. Create an advanced materials/manufacturing incubator/accelerator at the University of Dayton to facilitate the growth of small advanced materials businesses.

3. Develop a real estate strategy that will encourage and simplify the process for existing medical institutions to grow at their Greater Downtown facilities.
4. Develop and implement the Aerospace Hub initiative.

5. Coalesce regional RFID players to work together to support DRCC and to facilitate an interconnected network of businesses engaged in RFID.

6. Develop partnerships with the university/educational sectors to grow and expand in Greater Downtown.

7. Through the assistance of Janus Economics, a target industry analysis is being conducted to maximize the success of recruitment and job creation efforts by identifying the best target industries based on solid data analysis. Janus is analyzing downtown’s current employment supply, potential demand and conducting a gap analysis of industry sectors underrepresented in Greater Downtown as compared to other peer cities. The next step will be the development of a cohesive strategy to recruit businesses in these targeted industry sectors.

8. Use the City incentive programs, including the Dayton Development Fund and the Dayton Economic Attraction Program (DEAP), as well other limited incentive programs, to attract businesses and jobs.

**Develop a comprehensive and integrated system of support services to incubate and nurture startup, entrepreneurial businesses.**

*One key way to change and control the destiny of the City’s economic situation is to successfully nurture and support the growth of new and small businesses. Nationally, small businesses create the vast number of new jobs. Greater Downtown’s ability to nurture and grow new businesses will be predicated on its ability to implement a very coordinated and systematic approach to incubation, acceleration and commercialization.*
## Implementation

| Lead Organization: | City of Dayton  
|                   | CityWide Development Corporation  
|                   | Downtown Dayton Partnership  
| Supporting Partners: | Dayton Area Chamber of Commerce  
|                     | Montgomery County  
|                    | Dayton Development Coalition  
|                   | State of Ohio  
|                  | colleges and universities  
|                | private sector partners  
|              | other economic development partners  
| Potential Funding Sources: | DEAP – City of Dayton Incentive Program  
|                       | Dayton Development Fund  
|                      | Main Street Corridor Program  
|                     | State of Ohio Hub of Innovation and Opportunity Program funding  
|                   | Federal transportation funding  
|                  | Other state and federal funding  
|                | Venture capital funds  
|              | Other private funding sources  
| Supporting Materials: | *City Plan 20/20: Focus 2010 & Beyond*  
|                       | Downtown Dayton Partnership Strategic Reuse Project  
|                     | Tech Town Strategic Plan  