

Business Retention and Expansion Program



Research shows EXISTING businesses create 60% to 90% of all new jobs.

FINAL REPORT

POINT PLACE, (TOLEDO) OHIO BUSINESS RETENTION AND EXPANSION PROGRAM

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Support for this program provided by:

The Point Place Business Association
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Ohio Sea Grant College Program



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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 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 (Kraybill, 2001).

Recognizing the importance of local firms, the Point Place Business Association in partnership with Ohio State University Extension and the Ohio Sea Grant College Program established a Business Retention and Expansion (BRE) Program to assist these firms in achieving their growth objectives and to improve the overall business environment in the Point Place neighborhood area of Toledo, Ohio.

BRE Program Objectives

The objectives of the Point Place 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 Point Place.

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 and improve the quality of life in Point Place.

BRE Program Methods

In 2013, the Point Place Business Association surveyed 112 existing businesses about their perceptions, plans, and concerns. A membership was established with the Ohio State University Extension BRE Program utilizing Survey Gold software for survey analysis and other BRE tools to assist in accomplishing an effective local program. The local BRE Initiative was sponsored by the Point Place Business Association, with Mr. Len Syrek acting as Coordinator and working with a Task Force from the Point Place Business Association's Economic Development Committee. Task Force members represented various segments from throughout the community comprised of local business and financial professionals. See **Appendix B** for a list of the 2013 BRE Task Force members.

DEMOGRAPHIC OVERVIEW (ZIP CODE 43611)¹

- As of 2012, Toledo (zip 43611)'s population was [19,193 people](#). Since 2000, it has had a population growth of -8.90 percent.
- The median home cost in Toledo (zip 43611) was [\\$56,700](#). Home appreciation the last year has been -0.69 percent.
- Toledo (zip 43611) public schools spend [\\$6,540 per student](#). The average school expenditure in the U.S. was \$5,691. There were about [157.7 students per teacher](#) in Toledo (zip 43611).
- The median age was 38.5. The US median was 37.3. 42.87% of people in Toledo (zip 43611), OH, are married. 15.38% are divorced.
- The average household size was 2.4 people. 21.02% of people are married, with children. 19.84% have children, but are single.
- **Race in Toledo (zip 43611), OH-** 84.53% of people are white, 10.05% are black, 0.39% are Asian, 0.34% are native American, and 4.69% claim 'Other'. 1.12% of the people in Toledo (zip 43611), OH, claim Hispanic ethnicity (meaning 98.88% are non-Hispanic)
- The unemployment rate in Toledo (zip 43611) was [9.00](#) percent (U.S. avg. was 8.60%). Recent job growth was negative. Toledo (zip 43611) jobs have decreased by 2.36 percent.
- Average Commute time is [23 minutes](#). The national average is 28 minutes.

	Toledo, OH (43611)	Lucas	Ohio	United States
Population	19,193	441,815	11,536,504	308,035,306
Pop. Density	2,727	1,296	282	87
Pop. Change	-8.90%	-2.91%	1.63%	8.07%
Median Age	38.5	36.9	38.7	37.3
Households	7,706	180,267	4,603,435	116,716,292
Household Size	2.4	2.39	2.44	2.58
Male Population	50.78%	48.43%	48.82%	49.27%
Female Population	49.22%	51.57%	51.18%	50.96%
Married Population	42.87%	41.33%	48.86%	47.02%
Single Population	57.13%	58.67%	51.14%	52.98%

¹ Information obtained from Sperling's Best Places <http://www.bestplaces.net/> and US Census Bureau <http://www.census.gov/> which reflect most current information (2010-2012) for zip code 43611.

Economy in Toledo (zip 43611), Ohio²

Economy	Toledo, OH	Lucas County	State of Ohio	United States
Unemployment Rate	9.00%	8.50%	8.50%	8.60%
Recent Job Growth	-2.36%	-2.23%	-1.03%	0.35%
Future Job Growth	26.28%	27.04%	29.44%	32.10%
Sales Taxes	6.75%	6.75%	5.50%	5.00%
Income Taxes	6.36%	4.11%	4.11%	4.70%
Income per Cap.	\$21,525	\$23,882	\$24,889	\$26,154
Household Income	\$41,289	\$44,024	\$47,745	\$50,935
ESTIMATED HOUSEHOLDS BY HOUSEHOLD INCOME				
Income Less Than 15K	15.82%	15.91%	12.54%	12.37%
Income between 15K and 25K	12.74%	12.36%	11.24%	10.53%
Income between 25K and 35K	12.83%	11.97%	11.89%	10.88%
Income between 35K and 50K	17.16%	16.00%	16.63%	15.37%
Income between 50K and 75K	21.71%	19.67%	21.32%	20.14%
Income between 75K and 100K	10.44%	10.90%	11.94%	12.41%
Income between 100K and 150K	7.44%	8.65%	9.57%	11.27%
Income between 150K and 250K	1.47%	3.41%	3.52%	5.01%
Income between 250K and 500K	0.36%	1.05%	1.24%	1.86%
Income greater than 500K	0.04%	0.10%	0.11%	0.16%
POPULATION BY OCCUPATION				
Management, Business, and Financial Operations	8.47%	11.91%	13.06%	14.04%
Professional and Related Occupations	14.38%	19.95%	19.16%	20.61%
Service	16.38%	15.06%	14.00%	14.45%
Sales and Office	26.70%	26.42%	26.39%	26.75%
Farming, Fishing, and Forestry	0.16%	0.28%	0.35%	0.70%
Construction, Extraction, and Maintenance	10.14%	8.30%	8.67%	9.42%
Production, Transportation, and Material Moving	23.74%	18.09%	18.38%	14.05%

² Information obtained from Sperling's Best Places <http://www.bestplaces.net/> and US Census Bureau <http://www.census.gov/> which reflect most current information (2010-2012) for zip code 43611.

Cost of Living in Toledo (zip 43611), Ohio³

Cost of Living	Toledo, OH	Lucas County	State of Ohio	United States
Overall	83	91	91	100
Food	100	100	99	100
Utilities	100	100	101	100
Miscellaneous	101	101	99	100

- Cost of living indices are based on a US average of 100. An amount below 100 means Toledo (zip 43611) OH is less expensive than the US average. A cost of living index above 100 means Toledo (zip 43611), OH is more expensive.
- Overall, Toledo (zip 43611), OH cost of living is 82.60.
- As of 2012, the total of all cost of living categories were weighted subjectively and are as follows: housing (30%), food and groceries (15%), transportation (10%), utilities (6%), health care (7%), and miscellaneous expenses such as clothing, services and entertainment (32%). State and local taxes are not included in any category.
- Compared to the rest of the country, Toledo (zip 43611)'s [cost of living](#) was 17.40% lower than the U.S. average.

³ Information obtained from Sperling's Best Places <http://www.bestplaces.net/> and US Census Bureau <http://www.census.gov/> which reflect most current information (2010-2012) for zip code 43611.

BR&E Survey Highlights

The following is a summary of the 2013 Point Place Business Retention and Expansion survey findings:

112 businesses were mailed a cross-sector business survey (retail, manufacturing, industrial, marine, etc.) with 41 businesses responding yielding a response rate of 37%.

Of the 41 respondents, 62% were retail or service businesses, 32% were office related businesses, 3% were industrial/manufacturing businesses and 3% were warehouse businesses. Most respondents were small businesses with 81% having fewer than 10 employees. 16% of businesses reported having 11-20 employees while only one business in Point Place reported having more than 100 employees.

The majority of respondents (45%) were privately held businesses while 32.5% were family-owned. 7.5% of respondents were publicly held companies, 5% reported being a branch office of a multi-unit firm and 2.5% were employee-owned. The remaining 7.5% reported their business profile as "other". 60% of businesses have been operating in Point Place for more than 10 years and 64% own the space that they occupy.

The BR&E Coordinator and BR&E Task Force members followed up with 41 of 112 businesses, visiting all 41 firms during February, March and April of 2013. 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 the central business district of Point Place

along Summit Street extending onto Shoreland Avenue and Suder Avenue. Businesses who indicated plans for expansion, plans for closing or plans for leaving the community, or if there was a specific problem, were "red flagged" for a visit from the BR&E Task Force.

Growth Plans/Employment

Nine of the forty-one businesses who responded to the BRE survey reported that they plan to expand, modernize or renovate their businesses with 8 of these firms planning to add jobs within the next 12 months. The number of new employees expected to be added is estimated to represent between 35-44 new full-time equivalent jobs (FTE).⁴

The addition of 35 new jobs is estimated to represent \$23,861.25 in additional income tax revenue to Toledo and would contribute an estimated \$1,060,500 in personal income to the metro Toledo economy.⁵

Comparatively, 44 new jobs are estimated to represent \$29,997 in additional income tax revenue and would contribute an estimated \$1,333,200 in personal income to the metro Toledo economy.⁶ Jobs are projected as being added in the retail and service sectors.

⁴ Federal definition available at:

http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/s85.pdf

⁵ Assuming City of Toledo income tax rate of 2.25%

⁶ NAICS Codes 39 and 41 combined and averaged for a mean wage of \$30,300. Estimated personal income is derived from May 2012 Occupational Employment Statistics via the US Department of Labor, Bureau of Labor Statistics web site at:

<http://www.bls.gov/oes/current/oesrcma.htm>

As a result of the BR&E business survey, the Point Place Business Association has learned that 41 businesses plan to retain 240.5 FTE jobs and create an estimated 35-44 new FTE jobs.

One business is considering selling; four are considering closing and four businesses may move. Of those businesses planning to move, three will look elsewhere in Lucas County while one may move to another location in Point Place.

The loss of 18-27 FTE jobs is estimated to represent between \$12,272 to \$18,407 less income tax revenue for Toledo and could account for an estimated loss of between \$545,400 to \$818,100 in personal income to the metro Toledo economy.

Labor Force/Training

The labor force was ranked average or above by 87% of employers surveyed. Employee training is a critical issue in the retention and expansion of businesses. The top five skills that Point Place businesses identified as the most needed in their current and potential employees were computer skills (15%), professional skills (11%), managerial skills (7%), customer service skills (6%) and general skills (6%). The six specific skills that 24 of 41 businesses surveyed felt potential employees needed were word processing, sales and marketing, finance, communications and basic math.

Community Services

Most respondents (89%) indicated they would encourage other businesses to locate in Point Place. More than half (66%) of businesses indicated their overall opinion of Point Place as a place to do business as either “good” or “excellent”. Respondents listed the top 3 reasons for locating or keeping their company in Point Place as 1) location, 2) access to customers and 3) safe environment.

Nearly three quarters (72%) rated Point Place’s quality of life as “good” to “excellent”. Almost half (45%) of the respondents surveyed live in Point Place. Surveyed businesses ranked the community services of healthcare, snow and sidewalk cleaning and fire protection as “good” to “excellent”. The following factors were rated “poor” or “very poor”; shopping opportunities, hotel facilities and conference facilities. All other community services were largely rated as “average” by 41 responding Point Place businesses. Property taxes and public utilities were ranked the highest (most expensive) of the nine variables associated with business operating costs.

Businesses Visited in 2013 by the BR&E Coordinator and Task Force

Forty one businesses were visited during the BR&E process. The Point Place Business Association greatly appreciates their willingness to help the community understand their needs. Business survey responses are confidential, yet it is important to credit their participation by listing their names here:

Krogers	West Marine	Flag Sales and Repairs
Ace Hardware	Happiness is Childcare	Rudy's Hot Dogs
Crimping Tree	Toledo Yacht Club	Dr. Paul Vesoulis, D.D.S.
Barber Shop	Sun Lounge Tanning	All Shook Up
Curves Point Place	Sew Your Boat	My Mommy's Candy
Stuff in a Box	Grace's Kitchen	Point Stop
North Point Auto Sales	Mel's Automotive	Summers Insurance
James S. Nowak	Subway	Interior Channel
Bay View Tae Kwando	Erie Propeller	J-Cups Pizza
Captain's Carryout	Anchor Inn	Guinn Chiropractic Clinic
Best Choice Salon	Sunoco Food Mart	Pucci Pet Style Boutique
Jockett's Marina	D.R. Frederick and Associates	
Health Synergy Partners		
Point Place Legal Building/Remax		
David R. Jasin-Hoening Funeral Home		
Alan R. Buckenmeyer, CPA		
Black Cat Belly Dancing and Yoga		

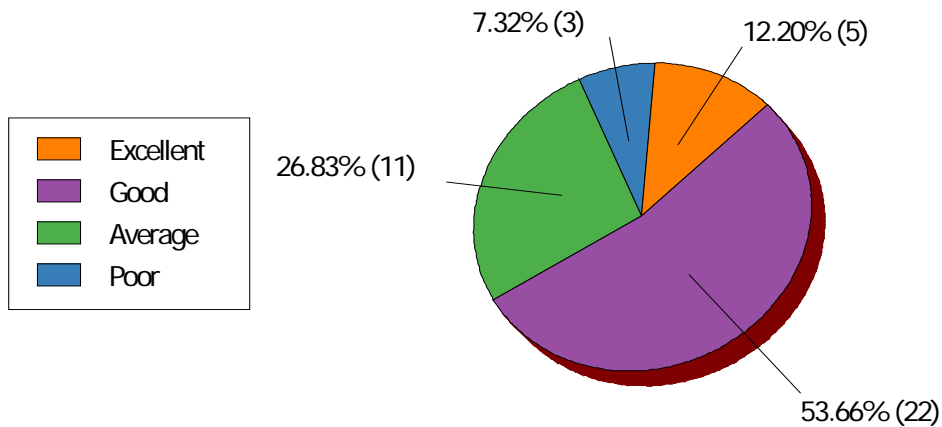
APPENDIX A: SAMPLE SURVEY RESULTS (RETAIL AND SERVICES)

Respondents: Local business responses in the retail and services sectors.

Section A- Local Business Environment

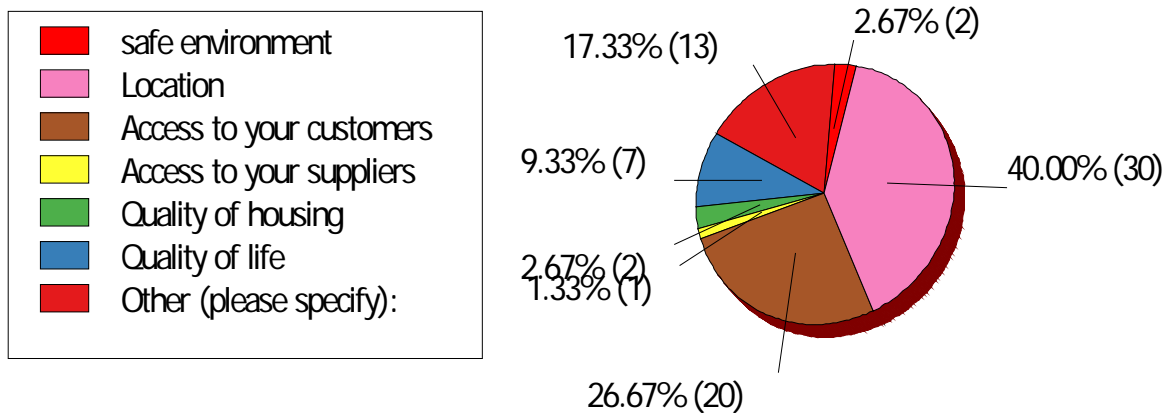
What is your overall opinion of Point Place as a place to do business?

Min: 1.00 Max: 4.00 Mean: 2.29 Mode: 2.00 Median: 2.00 Std Dev: 0.77



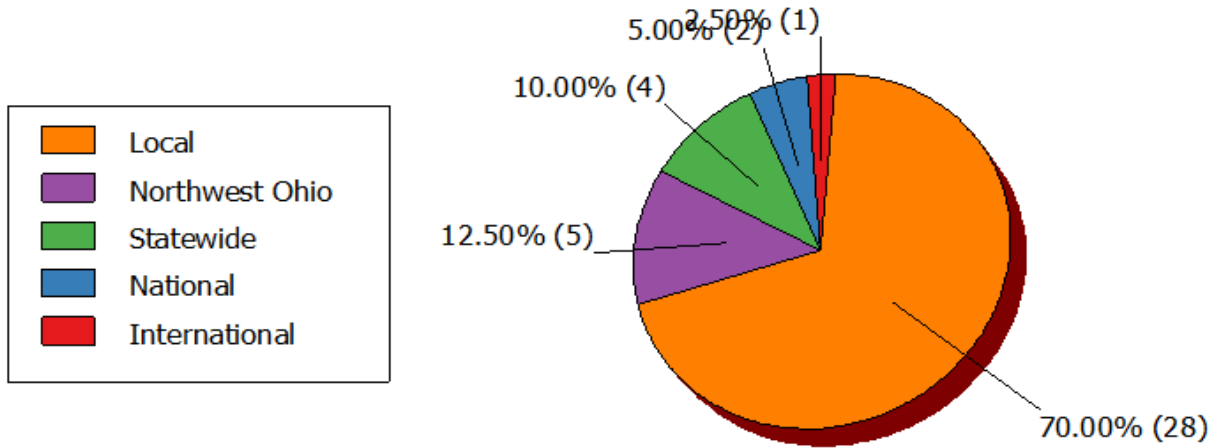
What are your top three (3) reasons for locating or keeping your business in point place?

Min: 0.00 Max: 8.00 Mean: 3.17 Mode: 1.00 Median: 2.00 Std Dev: 2.85



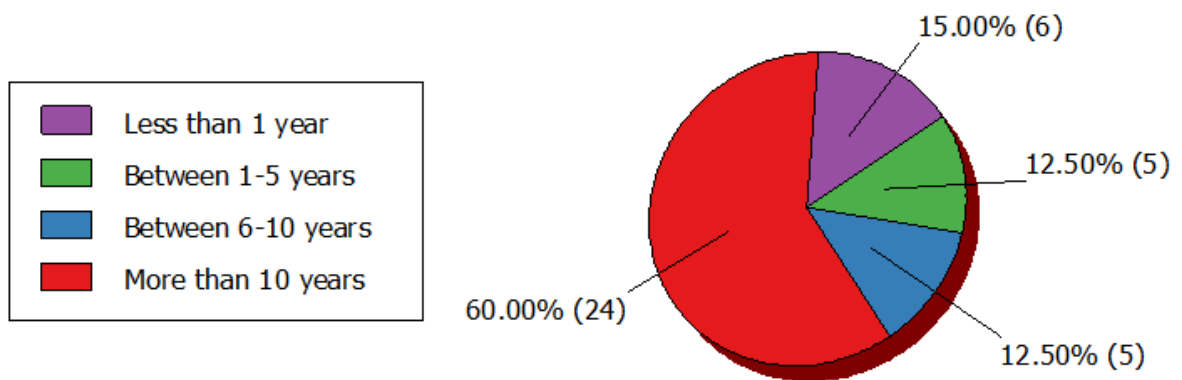
What is your company's primary geographic market?

Min: 1.00 Max: 5.00 Mean: 1.58 Mode: 1.00 Median: 1.00 Std Dev: 1.02



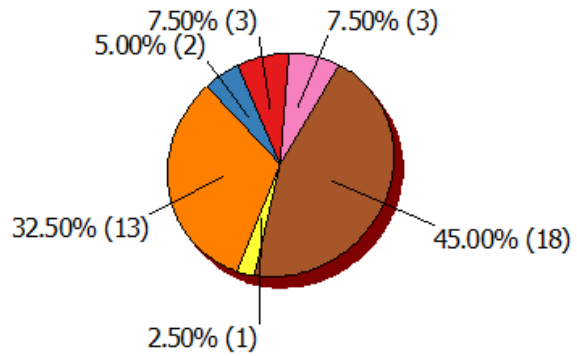
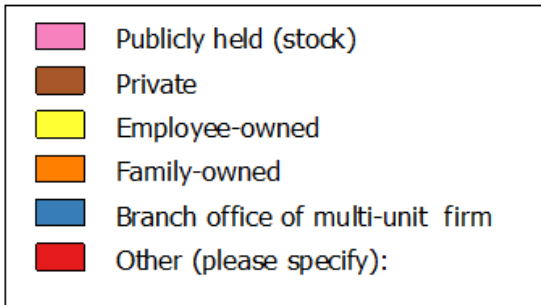
How long has this business been operating at your current location?

Min: 1.00 Max: 4.00 Mean: 3.18 Mode: 4.00 Median: 4.00 Std Dev: 1.14



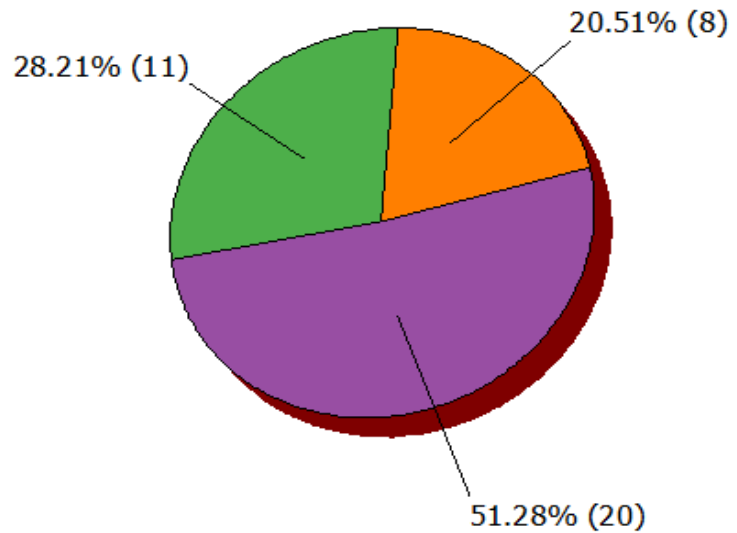
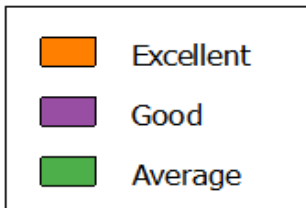
Which of the following best describes your business?

Min: 1.00 Max: 8.00 Mean: 3.30 Mode: 2.00 Median: 2.00 Std Dev: 1.91



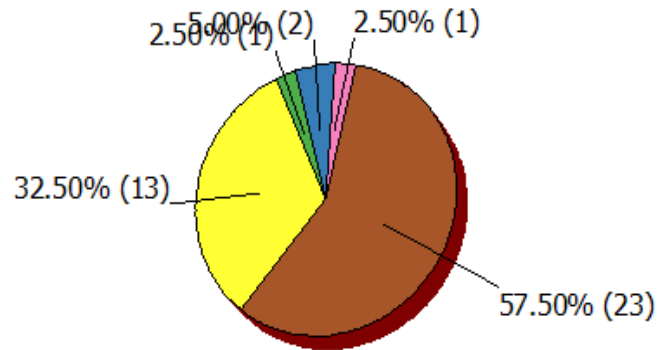
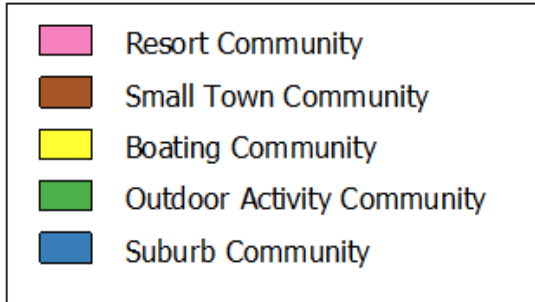
From your perspective as a businessperson, please rate the overall quality of life in Point Place:

Min: 1.00 Max: 3.00 Mean: 2.08 Mode: 2.00 Median: 2.00 Std Dev: 0.69



How do you feel your customers would best describe Point Place?

Min: 1.00 Max: 7.00 Mean: 2.65 Mode: 2.00 Median: 2.00 Std Dev: 1.26

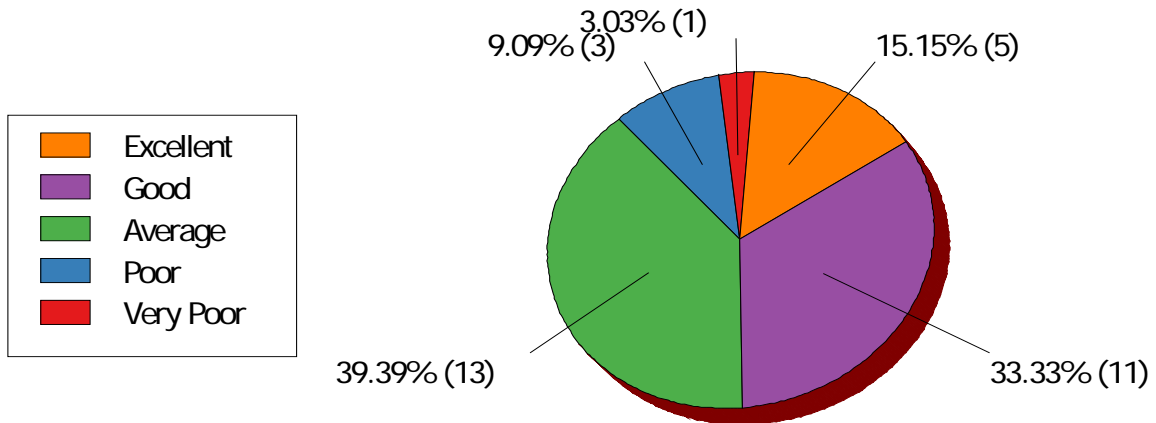


Section B- Employment and Training

How would you rate the local workforce? (Labor)

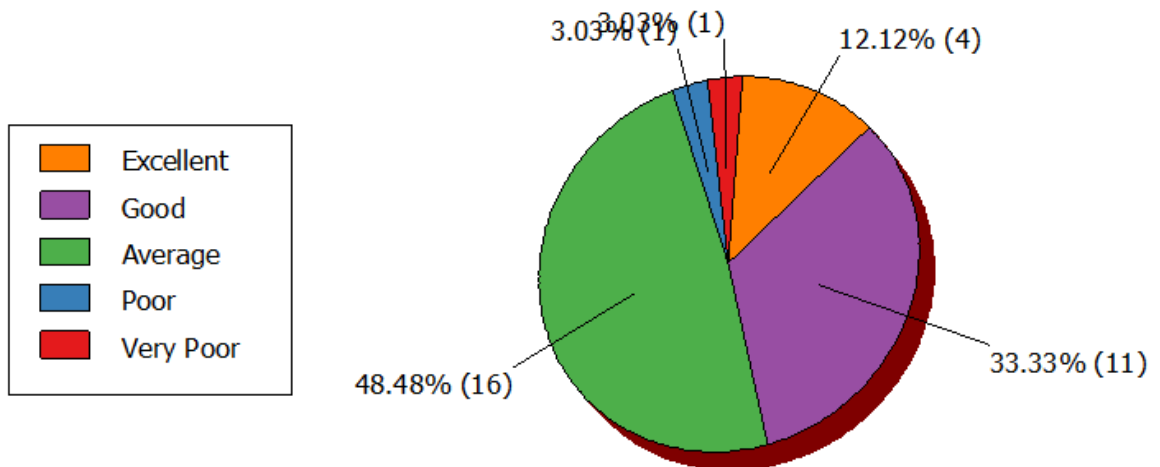
1. Quality

Min: 1.00 Max: 5.00 Mean: 2.52 Mode: 3.00 Median: 3.00 Std Dev: 0.96



2. Quantity

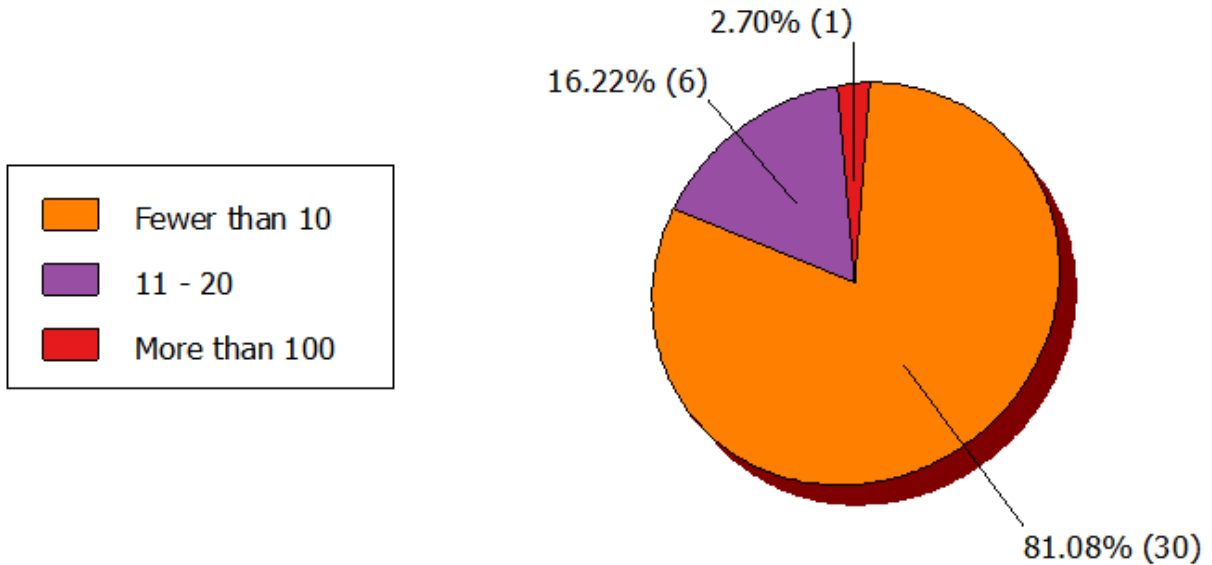
Min: 1.00 Max: 5.00 Mean: 2.52 Mode: 3.00 Median: 3.00 Std Dev: 0.86



Section C- Employees

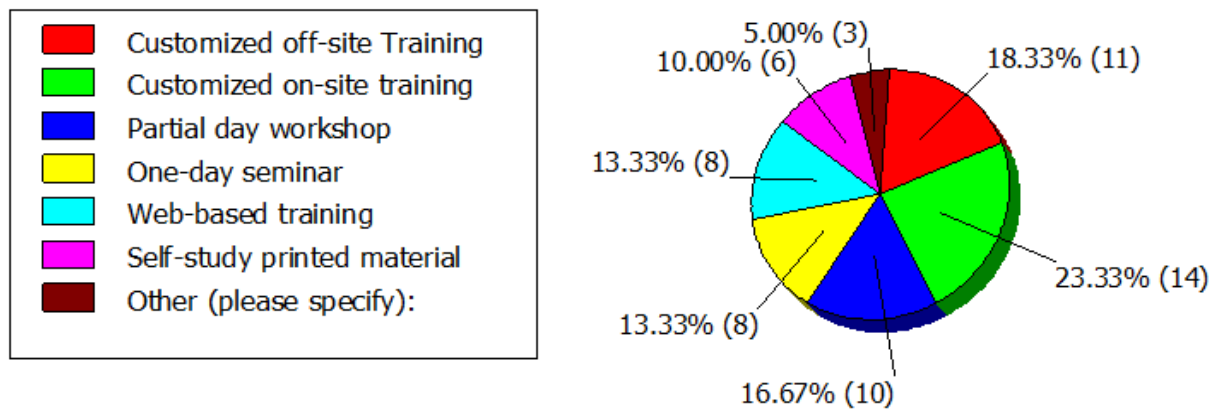
How many employees work at your business location?

Min: 1.00 Max: 5.00 Mean: 1.27 Mode: 1.00 Median: 1.00 Std Dev: 0.72



Three most preferred formats for employee training by outside providers:

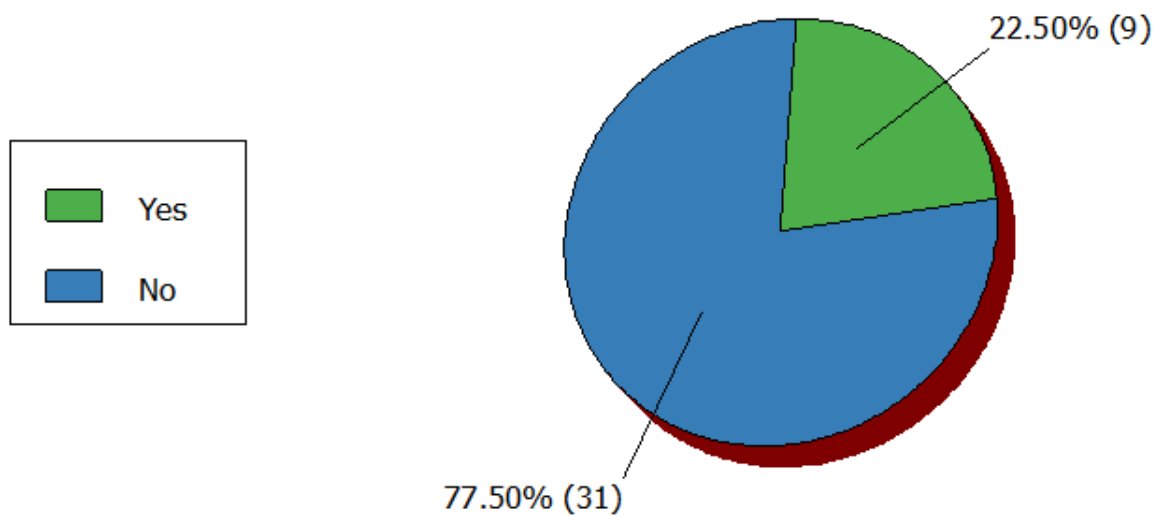
Min: 1.00 Max: 10.00 Mean: 4.18 Mode: 2.00 Median: 4.00 Std Dev: 2.74



Section-D- Future Plans

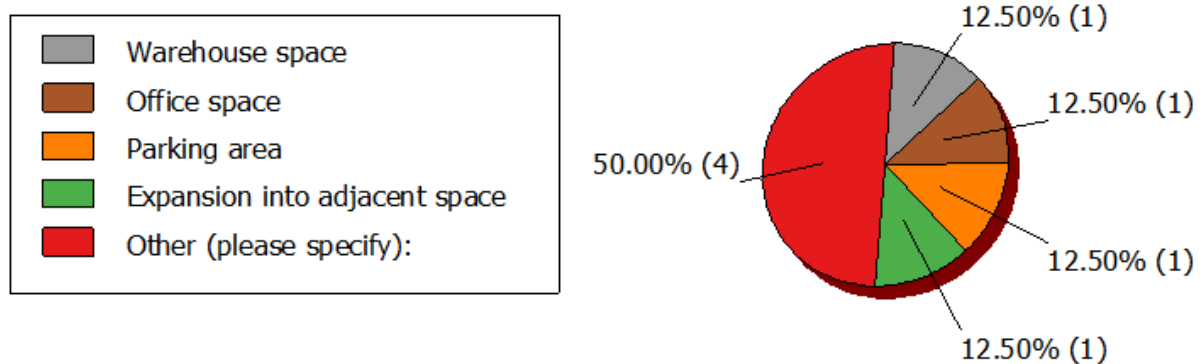
Do you have any plans to modernize, renovate or expand your present building(s) or equipment?

Min: 1.00 Max: 2.00 Mean: 1.78 Mode: 2.00 Median: 2.00 Std Dev: 0.42



What kind of modernization, renovation or expansion are you considering?

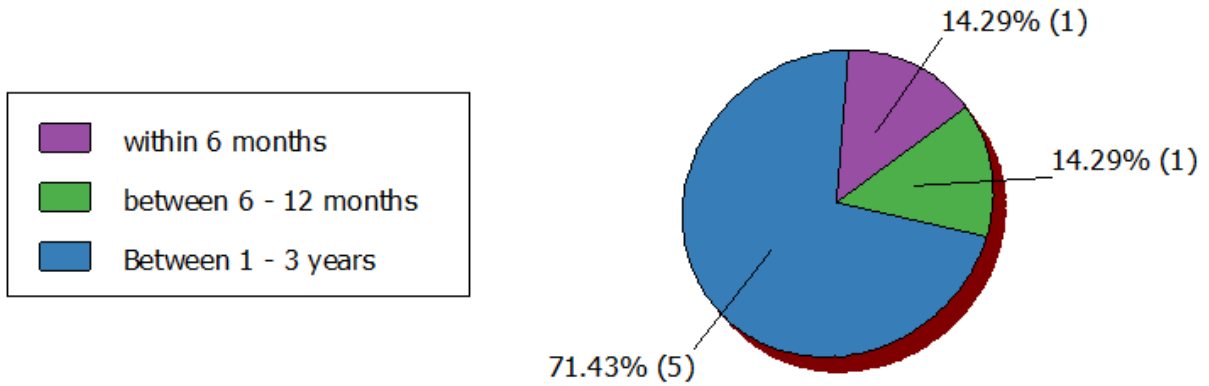
Min: 1.00 Max: 9.00 Mean: 6.50 Mode: 9.00 Median: 8.00 Std Dev: 2.96



Expansion

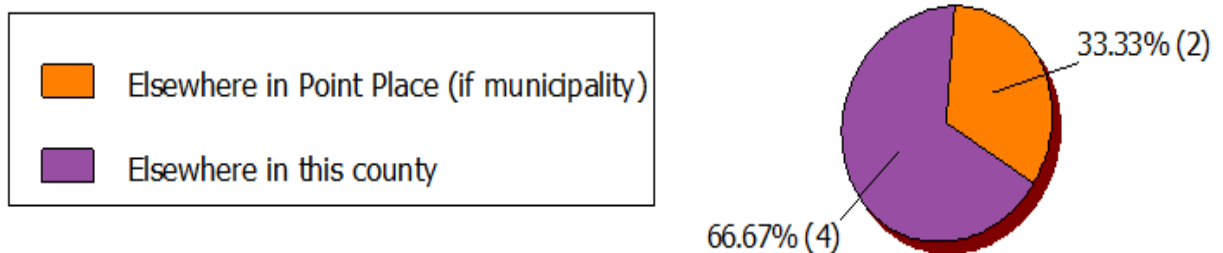
When would you open another branch, plant, office or store?

Min: 1.00 Max: 3.00 Mean: 2.57 Mode: 3.00 Median: 3.00 Std Dev: 0.73



Where would you open another branch, plant, office or store?

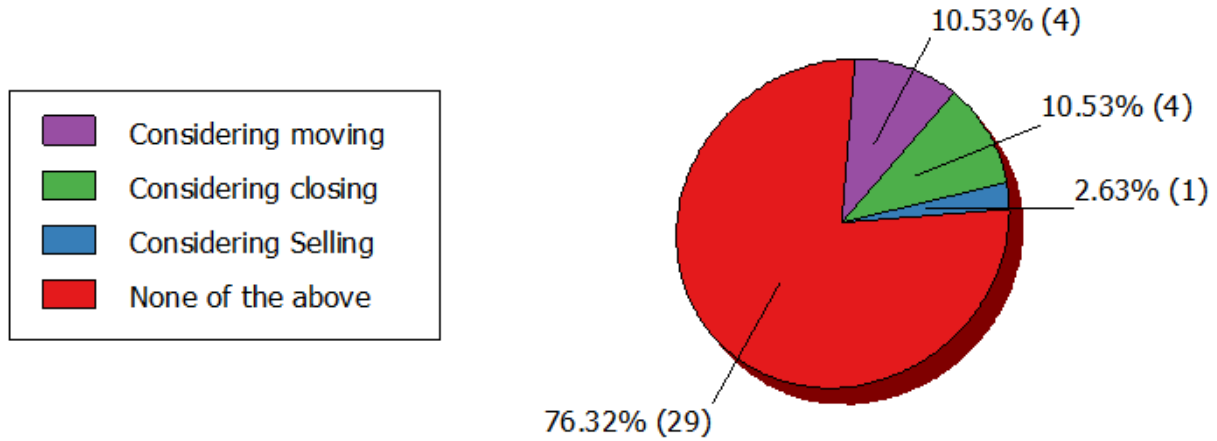
Min: 1.00 Max: 2.00 Mean: 1.67 Mode: 2.00 Median: 2.00 Std Dev: 0.47



Moving

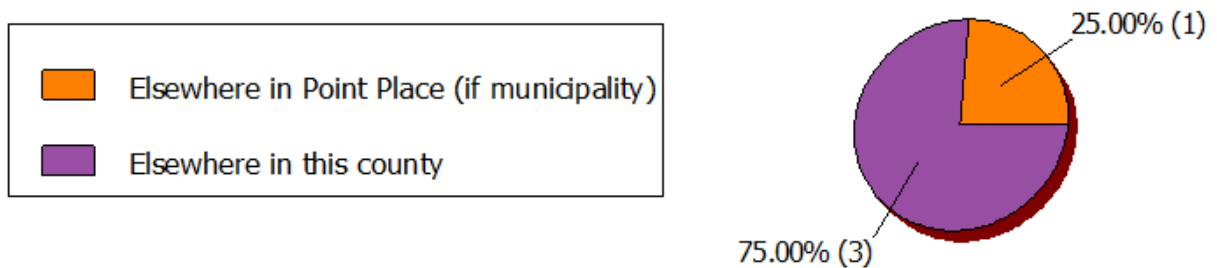
Are you considering moving, closing or selling this business?

Min: 1.00 Max: 4.00 Mean: 3.45 Mode: 4.00 Median: 4.00 Std Dev: 1.04



If you are considering moving, where will you move?

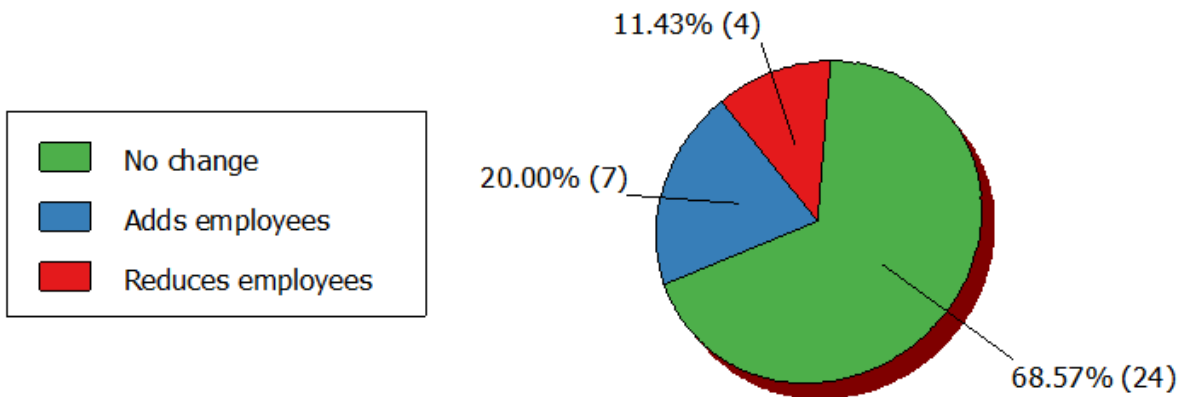
Min: 1.00 Max: 2.00 Mean: 1.75 Mode: 2.00 Median: 2.00 Std Dev: 0.43



Impact of Modernization

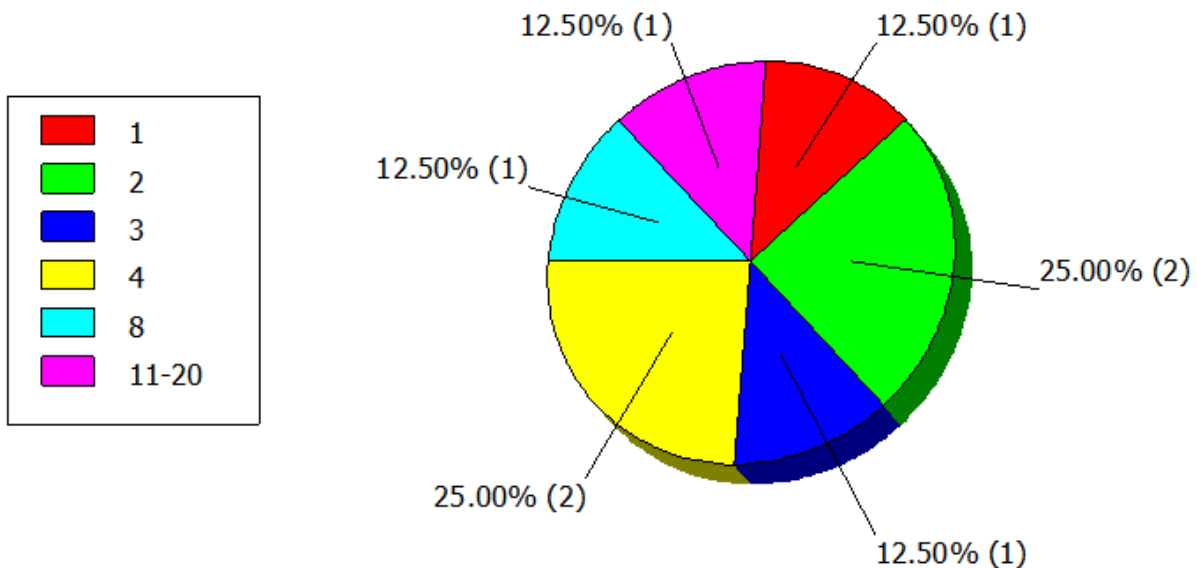
What impact would your plans for modernization, renovation, expansion, moving, closing or selling have on the number of employees in your Point Place location?

Min: 1.00 Max: 3.00 Mean: 1.43 Mode: 1.00 Median: 1.00 Std Dev: 0.69



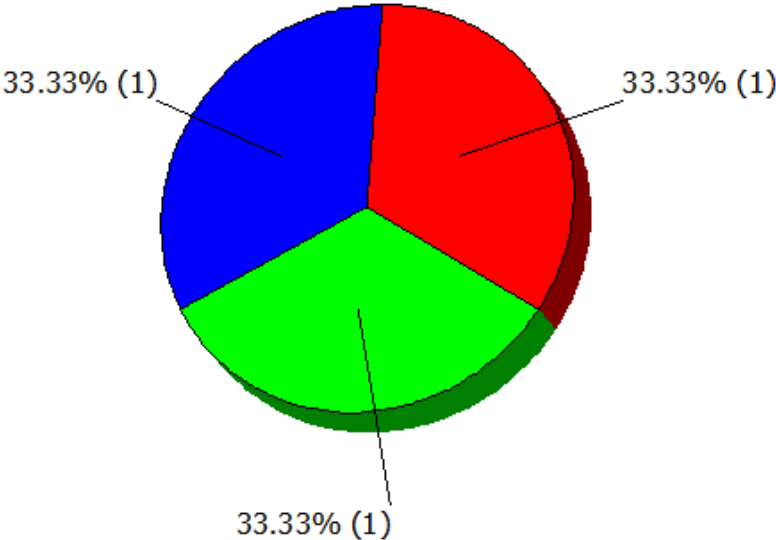
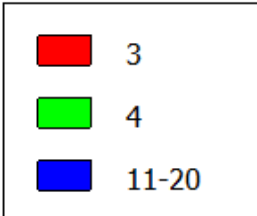
About how many employees would be added?

Min: 1.00 Max: 11.00 Mean: 4.38 Mode: 2.00 Median: 3.50 Std Dev: 3.20



About how many employees would be reduced?

Min: 3.00 Max: 11.00 Mean: 6.00 Mode: Median: 4.00 Std Dev: 3.56



APPENDIX B: BRE PROGRAM TASK FORCE PARTICIPANTS

Joe Lucente- Ohio State University Extension/Ohio Sea Grant College Program- BR&E Program Consultant

Len Syrek- BR&E Program Coordinator, Point Place Business Association

Bob Pulhug- BR&E Survey Data Coordinator, Point Place Business Association

Bob Kneisley- Indicator Advisory Service and Point Place Business Association

Eric Damask- Business Manager and Point Place Business Association

Dale Rupert- Point Place Business Association

Paul Pacholski- Lake Erie Charter Captain and Point Place Business Association

APPENDIX C: BRE SURVEY AGGREGATED RESPONSES