

## OHIO'S ELECTRIC COOPERATIVES CURRENT

### How to Solve the Too-Much-of-a-Good-Thing Problem



Holidays are notorious as the season of excess—too much good food, sweets, drinks, shopping, and fun. Overindulgence is a problem typically remedied with extra visits to the gym, more sleep, and New Year's resolutions. So when the “problem” is an excess of economic development activity that absorbs available sites, what is the remedy?

#### Success is the best problem to have

In the past six years, over \$750 million worth of capital investment has occurred in Medina County, Ohio, which has a population of just 183,000 residents. As the inventory of available industrial sites in the county has

dwindled because of strong demand and steady absorption, Lorain-Medina Rural Electric Cooperative (LMRE) advanced plans for a cooperative-owned property, the Spencer Industrial Park—and recently announced plans to break ground on LMRE's new headquarters in the park.

#### Spencer Industrial Park primed for development

The 68-acre Spencer Industrial Park sits at the intersection of two state highways and has 2,500 feet of frontage on the Wheeling & Lake Erie Railroad track that runs through Spencer.

“Our cooperative principles mandate that first and foremost, the decisions and actions of LMRE must benefit the community we serve,” says Edward VanHoose, president of Federated Energy Services Cooperative and general manager of Lorain-Medina Rural Electric Cooperative. “Our community needs additional skilled jobs. A secondary consideration for new users is a load factor that can help spread fixed infrastructure costs over more usage and help maintain attractive rates.”



Spencer Industrial Park provides quick, easy access to northeastern Ohio's major highway corridors – I-480 and the Ohio Turnpike to the north, I-76 to the east, and I-71 to the south. Cleveland, Akron, Medina, Mansfield, Elyria, and Lorain are within one hour of Spencer. The property borders 2,500 feet of the Wheeling & Lake Erie Railway.

## OEC supports feasibility study with \$15,000 grant

The first step of the development process was conducting a market feasibility study to help determine which types of users to focus on attracting. LMRE applied for a grant from Ohio's Electric Cooperatives' (OEC) Site and Community Assistance Program to complete the feasibility study, which was performed by Montrose Group. The study included an industry cluster analysis of existing industries and their growth patterns; a listening process for stakeholders to contribute; and an action plan.

The top Medina County industry sectors identified in the feasibility study for attraction efforts include:

1. Plastics and rubber manufacturing
2. Fabricated metal product manufacturing
3. Food manufacturing
4. Machinery manufacturing
5. Merchant wholesalers, durable and nondurable goods



Photo by Carl Luther

## Rail site provides unique opportunity

Access to the Wheeling & Lake Erie Railway (WLE) regional railroad is available along 2,500 feet of the southern property line. WLE is among the largest regional railroads in the country and is the largest in Ohio. WLE has 840 miles of track in Ohio, Pennsylvania, and West Virginia and six major rail yards.

Jeff Sunderland, WLE's assistant vice president of business development, notes that two of its major rail lines converge at Spencer, so the area sees a number of daily freight trains, including manifest freight trains, unit aggregate trains, and unit frac sand trains.

"A customer locating at the Spencer Industrial Park requiring rail access would be able to receive at least five-day-per-week rail service from WLE," Sunderland says. "Furthermore, WLE is able to provide customers with competitive rate and routing options through interchanges with three Class I connections (Canadian National Railway, CSX Transportation, and Norfolk Southern), as well as with 14 other shortline and regional railroads. With only a handful of rail sites in the Medina County, Spencer Industrial Park offers a unique opportunity."

## Regional manufacturing powerhouse centered in Medina County, Ohio

Medina County has a strong history in manufacturing, with 29% of its economic output coming from 221 manufacturers in that sector.

“Most of the companies are closely held or family-run small to mid-sized manufacturers,” says Bethany Dentler, CEcD, executive director of Medina County Economic Development Corporation. “The largest employers include MTD Products, Sandridge Foods Corporation, and Shiloh Industries. Service companies also thrive in Medina County, notably Westfield Insurance, Westfield Bank, Cleveland Clinic, and Discount Drug Mart.”

## Medina County has 1.76 times greater concentration of manufacturing

Nate Green of Montrose Group, the feasibility study author, shared data tabulated for the study.

“The largest employment sector in Medina County, behind retail trade, is manufacturing, with 8,543 employees,” says Green, the group’s director of economic development. “The largest employment industry sector of the adjacent Lorain County is manufacturing, with over 16,000 employees. Manufacturing is the northeast Ohio region’s second largest industry sector and makes up 20% of the gross regional product. Medina County has a 1.76 times greater concentration of manufacturing than does the rest of the country.”

## Existing workforce skills attractive to manufacturers

Employers in Medina County draw approximately 50% of their employees from outside the county. As in many of Ohio’s rural areas, people are willing to drive for quality jobs. “With a broad and deep base of manufacturers in Medina County, new and expanding employers find job candidates with a great work ethic and the skill set needed for light and heavy manufacturing,” Dentler says.



## Business Advisory Council brings county school districts to the table

Medina County Economic Development Corporation regularly convenes its Business Advisory Council to provide input to superintendents and curriculum directors from Medina County’s five school districts and vocational school to ensure local students are job-ready upon graduation.

## Industrial park groundbreaking expected in spring 2020

After carefully considering options for expansion of the co-op's headquarters office, the LMRE board of trustees and management decided that the most cost-effective way to meet members' future needs is to build a new facility on land already owned by LMRE in the Spencer Industrial Park. Plans are in the design phase, but construction on approximately 12 acres is planned for the spring of 2020. Part of the park's main road and water and sewer infrastructure will be constructed as part of the headquarters project.



### Lorain-Medina Rural Electric Cooperative provides stellar reliability

"We're very proud of LMRE's reliability statistics," VanHoose says. "We have one of the best-built systems, and our maintenance is second to none. Our board of trustees and staff set high expectations for the quality of materials and the service we provide. Our system is engineered to backfeed all our major loads and most of our residential customers."

### County-wide economic development plan establishes five-year priorities

In 2018, Medina County undertook the creation of a Comprehensive Economic Development Strategy (CEDS) to assist the county in

setting priorities, to be better positioned to receive grant funding for projects, and to bring the communities together to determine the future. This plan is designed to cover 2019 through 2023 and covers all of Medina County.

Dentler says Medina County has had the fastest-growing population in Northeast Ohio for the past six decades. That has attracted a very stable yet nimble base composed mostly of closely held manufacturing, fabrication, and assembly operations with 25-50 employees, so the community is well-positioned to weather recessions. With its prosperous residential base and one of the highest per capita incomes in the state, Medina County has a great recipe to attract and grow its manufacturing base.

### Solving the too-much-of-a-good-thing problem

The Northeast is the most densely populated region in Ohio, with 4 million people and 2 million workers, and has a \$236 billion economy. Multiple enterprises in the small village of Spencer have contributed to this growth, including the notable Spencer Forge & Manufacturing Company, which started operations in 1895.

When it comes to holiday treats, there truly can be too much of a good thing. But when successful economic development is the reason for a low inventory of construction-ready sites, that's a good problem to have, and it has an obvious solution – develop more sites!

## Look for Us:

### Touchstone Energy NET Conference

February 3-5, 2020  
Amelia Island, Florida

### Site Selectors Guild Annual Conference

March 9-11, 2020  
Atlanta, Georgia

# Happy Holidays!

Warmest wishes to all for a joyous holiday season filled with all your favorite treats, and best wishes for a prosperous, peaceful, and happy 2020!

## Buckeye Power and Ohio's Electric Cooperatives can help with:

- Comprehensive site and building portfolios
- Preliminary site studies
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- Electric rate analyses
- Community profiles
- State and local government contacts
- Contractor introductions



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