

A. Summary

1. Overview

This section identifies proposed economic development goals, objectives, and strategies for Sandusky's Comprehensive Plan. Economic development is an integral part of Sandusky's plan. Many of the activities recommended for inclusion in the Economic Development Section of the Comprehensive Plan are contained in the City's earlier Strategic Plan.

The City of Sandusky is an important economic center within Erie County's changing economic base. Erie County functions as an integral component of the larger surrounding regional economy, comprised of six Ohio counties: Erie; Lorain; Huron; Sandusky; Ottawa; and Seneca. The manufacturing and tourism sectors exert the greatest influence on economic activities currently located within this region. These sectors are likely to remain dominant in the foreseeable future. Current and possible future local and regional economic issues and trends are discussed in more depth in the earlier *Economic Base Analysis Report* prepared by Donald T. Iannone & Associates.

2. Financial Considerations

Like all other elements of the comprehensive plan, economic development activities create both fiscal costs and benefits to the City. An effective economic development strategy will help Sandusky augment its tax revenue base by developing those projects having a positive fiscal impact on the City. Both economic growth and economic decline have significant fiscal cost consequences to Sandusky. Growth places demands on the City to extend public services of various types. Decline erodes the existing tax base caused by the loss of residential and business taxpayers. Under-investment by the City in appropriate high-quality public services could contribute to future population and job losses.

The City of Sandusky currently makes a significant investment in local economic development activities through its funding of in-house planning and community development staff and countywide development services by the Greater Erie County Marketing Group (GEM) that benefit the City. In addition, the City uses its fiscal resources to provide tax and financial incentives to firms to retain, expand and create jobs in Sandusky. Many cities are experimenting with new development strategies that encourage neighboring jurisdictions to cooperate to accomplish economic development. One such new strategy is the Joint Economic Development District (JEDD). The JEDD established in Akron is a good example of how a municipality can cooperate with unincorporated areas surrounding it. Sandusky officials have given some initial attention to this strategy. Ohio communities will make increased use of cooperative economic development tools in the future. The JEDD could help fund appropriate new development projects in Sandusky, by sharing revenues and costs of these projects with neighboring jurisdictions. The JEDD may be most effective if used in areas where there is no current development.

Many local government officials are increasingly concerned about the costs of growth associated with economic development incentives. This explains why many cities, like Hudson, Ohio, are insisting that these financing programs become more "performance-based" in the future to ensure that economic development projects produce equal or greater benefits than costs over the long-term. While the properly planned use of these tools can produce significant financial benefit to a community, the unplanned, indiscriminate use of incentives can bankrupt a city.

City of Sandusky officials currently monitor existing tax abatement and revolving loan fund (RLF) agreements for compliance with contract conditions. Ongoing oversight of these projects is provided by the City. Because of increasingly scarce public revenues, economically distressed communities should be even more attentive to the fiscal return they receive from incentive investments. Due to expected future changes in the Ohio Enterprise Zone Program, local monitoring activities related to enterprise zones are likely to increase. Sandusky officials should monitor these state-level developments to determine whether it is advisable to acquire a reasonably priced fiscal impact

model, like the one used by Hudson, Ohio to assess the costs and benefits of tax abatement investments. Many communities across the country have found these tools feasible to use and helpful in determining how much to invest in development projects. Ohio communities will be expected to account in greater detail for how they use tax abatement and other economic development tools in the future. Sandusky and other Ohio communities should encourage the State of Ohio to provide funding to develop a standardized fiscal impact analysis model suitable for use by Ohio communities.

3. Economic Development Partnerships

The economic development partnership model is currently being used successfully by the City of Sandusky. This approach should be expanded in the future. Partnerships, or strategic alliances, are effective in responding to larger regional issues affecting city economic development. Many of the driving issues causing economic change in the City are external to Sandusky's political boundaries. Partnerships can also expand the City's access to valuable outside resources, at the county, regional, and state levels, that are needed to successfully reach the City's future economic development goals.

The City has some very good existing partners for economic development. Its partnership with the Greater Erie County Marketing Group (GEM), the Visitors and Convention Bureau, and the Erie County Chamber of Commerce have been valuable to city economic development efforts. These should be continued and built upon in the future. The City's partnership with the School District has been essential to the success of City tax abatement investments used to retain and create local jobs. These groups' help in the future will be needed to achieve the economic development goals and objectives contained in the Comprehensive Plan. This plan encourages the City to continue its use of innovative partnerships.

4. Major Recommendations

The Economic Development Element recommends these major actions:

- A. Continue to promote and assist local business retention and expansion.
- B. Continue efforts to expand City tourism industry activities.
- C. Continue to foster waterfront development that supports desirable tourism growth and new residential living.
- D. Continue to foster increased downtown revitalization.
- E. Support and strengthen local shopping amenities.
- F. Expand citywide marketing in line with other economic development objectives.

B. Goal

Strengthen the economic base of the community by supporting existing businesses while continuously seeking to expand the number of businesses within Sandusky.

C. Objectives and Strategies

To accomplish this overall goal, the City of Sandusky should gear its economic development efforts in the direction of six strategic objectives. The adoption of carefully selected and focused strategies by the City and its key development partners will increase the City's future success in achieving these objectives. These strategies, implementation responsibilities, and timeframes are identified below to help guide City action in the future.

1. Promote and assist local business retention and expansion

Strategies

A. Existing Industry

The City should strengthen its local business outreach efforts to strategic industry sectors experiencing special development problems or opportunities. While contacts with local manufacturers are made by the City and its partners, this process should be expanded and focused to a greater extent in meeting the land, labor, and new production technology needs of existing companies. This additional staffing would definitely help strengthen current efforts. Finally, the City's Roundtable Program should also be revitalized and expanded to improve communication about existing employers' needs to City Hall.

Implementation: Community Development Director, working with GEM, area gas and electric utility companies, and the Erie County Chamber of Commerce. The City Manager and City Commission President should play a more active role in this contact effort to convince local companies of the City's interest in them.

Timeframe: Ongoing

B. New Industry

The City should continue to support GEM's Industry Marketing and Recruitment Program, funded by both local governments and existing business and industry in Erie County. Competitive industrial park facilities are essential to the attraction of new manufacturers. Current efforts to accomplish the Bayside Business Park should be stepped up. While recruitment activities are important, they should be a second-order priority to existing industry retention and expansion.

Implementation: Assistant City Manager, GEM, Erie County Chamber of Commerce, area utility companies serving the region, and the Ohio Department of Development.

Timeframe: Ongoing

C. Transportation

Improve highway, rail, and water transportation efficiencies of existing manufacturers by correcting existing transportation system deficiencies. Existing business contacts can help identify immediate transportation concerns affecting local manufacturers.

Implementation: City working with Erie County, major rail operators, and the Ohio Department of Transportation

Timeframe: Ongoing

D. Industrial Incentives

Continue to provide appropriate and innovative local business incentives to encourage new job and wealth creation in the City. Continue to explore the use of a Joint Economic Development District (JEDD) to encourage community cooperation in funding appropriate economic development projects. Continue to encourage local companies to take advantage of appropriate state business incentives. The fiscal impact model, discussed earlier, could be used as an-

house tool to help City officials to calculate the expected future rate of return on tax and financial incentives provided to businesses by the City.

Implementation: Community Development Director, the City Manager, and the Assistant City Manager, working with its Tax Incentive Review Committee, GEM, and the State of Ohio

Timeframe: Ongoing

E. Funding

Devise and implement a cost-effective public-private funding strategy to accomplish the City's industrial modernization and expansion activities. Continue efforts to utilize all appropriate State of Ohio programs, to fund City economic development activities.

Implementation: Community Development Director, the City Manager, Assistant City Manager, and Finance Director working with GEM, and various economic development funding sources

Timeframe: Ongoing.

F. Support and strengthen local shopping amenities

A large proportion of shopping amenities has recently relocated to other areas of Erie County, mainly Perry Township.

Implementation: Community Development Director, Assistant City Manager, Downtown Development Manager

Timeframe: Ongoing

2. Expand year round City tourism industry activities.

Because of the presence of Cedar Point and the City's proximity to Lake Erie, tourism is an important part of the City and regional economic bases. These activities will continue to be important in the future. The City needs to strengthen its strategy to capture relevant development opportunities related to tourism, and thus receive greater fiscal benefit from these activities in the future.

Strategies

A. Cedar Point

Cedar Point is clearly a major economic development asset for Sandusky. Sandusky should work to increase the City's economic benefit from Cedar Point Amusement Park through four action strategies outlined below:

- a) The formation of new marketing and development strategic alliances with Cedar Point.

Implementation: Community Development Director, Assistant City Manager, Downtown Development Manager, the Erie County Chamber of Commerce, the Erie County Visitors and Convention Bureau, and Cedar Point officials

Timeframe: Short term

- b) Better retail mix planning and development in downtown and in the Bayfront Corridor.

Implementation: Community Development Director, Assistant City Manager, Chief Planner, Downtown Development Manager, Sandusky Main Street Association, and the Erie County Chamber of Commerce.

Timeframe: Mid term

- c) Improved hotel and lodging industry facilities.

Implementation: Community Development Director, Assistant City Manager, the Erie County Chamber of Commerce, and the Erie County Visitors and Convention Bureau
Timeframe: Ongoing

- d) Increased marketing of Sandusky's connection to Cedar Point.

Implementation: Assistant City Manager, Downtown Development Manager, Public Information Officer, and the Erie County Visitors and Convention Bureau
Timeframe: Ongoing

B. Lake Erie Recreation Industry

Lake Erie is a valuable economic development asset to the City. Increase the City's economic benefit from the recreational use of Sandusky Bay/Lake Erie through five action strategies:

- a) Better public access to the lakefront.

Implementation: City Manager and Recreation Director
Timeframe: Mid term

- b) New retail development related to recreational activities.

Implementation: Community Development Director, Assistant City Manager, Recreation Director, Downtown Development Manager, and the Erie Chamber County of Commerce
Timeframe: Ongoing

- c) Improved access to Lake Erie for visitors and residents for boating and other purposes through improved ferry service and expanded transient dockage.

Implementation: City Manager, Downtown Development Manager, and Community Development Director
Timeframe: Mid term

- d) Improved street signage as recommended in the Comprehensive Plan.

Implementation: City Manager and City Engineer
Timeframe: Mid term

- e) Protection of the current scenic views of the Bay.

Implementation: City Manager
Timeframe: Ongoing

C. Visitors and Convention Bureau

Continue to coordinate activities with the Bureau as an agent for increasing the economic and quality-of-life contributions derived from travel and tourism activities in the City. This effort should give attention to the strategic expansion of both tourism and business convention activities in the City. Greater attention should be given to both waterfront and downtown events in the future.

Implementation: Community Development Director, Downtown Development Manager, Recreation Director, Sandusky Main Street Association, City Manager, working with the Convention and Visitors Bureau

Timeframe: Ongoing

D. Tourism Events

Increase the quality and uniqueness of tourism events and activities that attract visitors to the City all year long, with a special emphasis on the off seasons. This is currently an under-served need in the City. The City has launched a series of successful fishing tournaments in recent years. These should be continued as off-season strategies to attract visitors. Convention and business meeting opportunities should be assessed annually through a survey of local companies to ensure that these opportunities are known well enough in advance to allow the City to compete as the location for these events.

Implementation: Community Development Director, Downtown Development Manager, Sandusky Main Street Association, Assistant City Manager, Public Information Officer, Erie County Chamber of Commerce, working with the Visitors and Convention Bureau and downtown property owners

Timeframe: Ongoing

E. Natural Resource and Eco-tourism

Identify and develop new opportunities for attracting tourists to the area to enjoy local natural resources and ecology. Particular attention should be given to opportunities related to Sandusky Bay, the Big Island Wetlands and the Lake Erie shoreline. The Ohio Department of Natural Resources (ODNR) could be a valuable partner for this type of activity. An eco-tourism plan should be devised as a first step, which the ODNR can help the City develop. The City's current fishing tournaments should be a part of this plan.

Implementation: Community Development Director, Recreation Director, Assistant City Manager, Downtown Development Manager, working with the Visitors and Convention Bureau, and various natural resource and environmental groups, including the Ohio Department of Natural Resources

Timeframe: Ongoing

F. Funding

Devise and implement a cost-effective financing strategy, drawing upon appropriate public and private sector resources to support future tourism development activities in the City. Hotel bed taxes, which go to Erie County, should continue to be used to help fund tourism activities in Sandusky. Fees and charges for admissions should be charged, where appropriate. Finally, corporate sponsorships from Cedar Point and other major local businesses should be used to develop corporate funding for educationally based tourism activities (eco-tourism).

Implementation: City Manager, Downtown Development Manager, Finance Director, Sandusky Main Street Association, and Community Development Director working with the Visitors and Convention Bureau

Timeframe: Ongoing

While the development of a cost-effective financing strategy is critical to support future tourism development, key first steps must be taken in the short term. These include the identification of the needs of tourism related industries and organizations as well as a clear definition of the role of the City in the promotion of tourist related activities.

G. Marketing

Strengthen citywide marketing in line with the other objectives of this economic development strategy.

Implementation: Community Development Director, Downtown Development Manager, working with the Visitors and Convention Bureau

Timeframe: Ongoing

3. Foster waterfront development consistent with the waterfront revitalization plans.

Sandusky's waterfront location is a magnet for future development. Current development efforts by the City and its development partners recognize the waterfront as a development asset. The City's waterfront must be developed in a way that maximizes public access, does not degrade natural resource quality, encourages compatible land uses, and provides significant economic return to the City's tax base. The City should continue the implementation of the Port Development Plan that contains the following key elements.

Strategies

A. Existing Plans

Implement the Port Development Plan and Bayfront Corridor Plan in a way that is consistent with the Comprehensive Plan.

B. Funding

The GEM Community Urban Redevelopment Corporation (CURC) could provide an appropriate mechanism for channeling needed public and private sector funds to high-priority waterfront development projects in the City. The City Manager, Community Development Director, Law Director and City Finance Director need to be a part of this process.

C. Quality Residences

Encourage the development of new upscale housing along the waterfront that links well with other planned developments and uses along the water's edge. A design for this housing development should be prepared with private developers. The City Community Development staff should take the lead on this task with private developer involvement.

D. Building Reuse

Encourage the adaptive reuse of existing building structures along the waterfront in a way that is consistent with planned future uses of the City's waterfront.

E. Scenic Views

Protect public scenic views of the Bay to encourage visitors and residents to spend time in the waterfront area.

F. Access and Parking

Improve pedestrian and vehicle access and vehicle-parking facilities related to future waterfront uses.

Implementation: Community Development Director, Downtown Development Manager, City Engineer, City Finance Director and City Manager working with private developers

Timeframe: Ongoing

4. Foster increased downtown revitalization.

The downtown area is of major importance to the City's future economic development. In addition to offering a central business district for shopping and services, the downtown gives identity to the City. For these reasons, downtown development activities should be expanded in the future. Downtown property owners need to financially participate in redevelopment activities to a greater degree in the future. The City's future development strategy should emphasize the creation of a Business Improvement District or a Special Improvement District.

Strategies

A. Commercial Facades

Expand efforts to improve the face of existing commercial structures in the downtown through improved design and redevelopment. The City should continue to encourage current shop owners to improve the appearance of their building facades. The City should also rely on the enforcement of its Existing Structures Code for abatement of deficient buildings.

B. Retail Mix

Continue to improve the mix of retail and lodging businesses found in downtown. Continue to encourage linkages to travel and tourism, and also unique resident needs. The City and GEM should continue to offer development tools available for downtown redevelopment, including the GEM/City/Downtown Banks' below-market Rehab Loan Program, technical assistance with the Historic Investment Tax Credit and Historic Facade and Interior Easements, information about Article 3408 of the Ohio Basic Building Code, and financial incentive structuring assistance.

C. Special Events Program

Improve the mix and quality of downtown sponsored events that will attract residents and visitors to spend more time and money in the downtown area. This should be undertaken by the City, in consultation with downtown property owners, local businesses, the Erie County Visitors and Convention Bureau, and the State of Ohio's Travel and Tourism Division. A plan to fund these events should be developed. The proposed Business Improvement District (BID) should be examined as one possible funding option for the events program.

D. Upscale Housing

Explore the feasibility of developing new upscale housing in the downtown area to make downtown a 24-hour community. Residential developers should be interested in doing this feasibility work to show the market potential. The City Community Development staff should take the lead in working with these developers.

E. Parking Facilities

Provide parking to support downtown businesses and events. The City Community Development and Engineering staff and the Downtown Parking Committee should take the lead in working with downtown property owners.

F. Funding

The City and GEM should continue to explore a Business Improvement District (BID) as a tool for downtown property owners to finance physical improvements and to finance an annual events program to spark new interest by residents and visitors to use the downtown area more extensively. The City believes downtown property owners should assume greater responsibility for funding their improvements or special services in the future.

Implementation: Community Development Director and the City Manager working with GEM and downtown property owners

Timeframe: Short Term and Mid Term