

Lucas County R&E Summary Report

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and Ohio State University Extension*



OHIO DEPARTMENT OF DEVELOPMENT

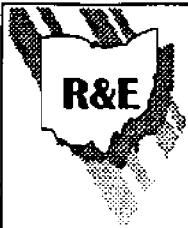


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LUCAS COUNTY R&E SUMMARY REPORT

The R&E Program

This report represents the culmination of Lucas County's participation in the Ohio Business Retention and Expansion (R&E) Program. The Ohio State University (OSU) Extension in cooperation with the Ohio Department of Development have sponsored the Ohio Business Retention and Expansion (R&E) Program since 1986. The R&E Program provides action-oriented planning assistance to strengthen the economies of Ohio communities. The planning exercise is based on a survey conducted through in-person business visits that, in essence, asks two questions of local businesses:

What can Lucas County do to assist your business?
and

What can we do to assist in any expansion plans for your business?

The survey results are then used by a local Task Force to develop recommendations to improve the business climate of the community and to help local businesses remain competitive.

By remaining competitive, existing businesses are less likely to relocate, contract, or close. They are more likely to expand their current output levels, thereby increasing employment and stabilizing the local economy.

Participants

Lucas County enrolled in the R&E Program under the financial sponsorship of the Greater Toledo Convention and Visitors Bureau (GTCVB). The cooperation of the Toledo Area Chamber of Commerce and Ohio Sea Grant is also acknowledged.

Local leadership is the key to the success of the Retention and Expansion Program. In Lucas County, Mary Bielen (Ohio Sea Grant) served as the R&E Coordinator and Consultant. Carolyn Schermbeck (GTCVB) assisted Mary and the Task Force as the Co-Coordinator of the program.

The R&E Task Force assisted in finalizing the local questionnaire, recruiting volunteers, reviewing the business surveys, and developing the Retention and Expansion Action Plan. Approximately 39 Volunteer Visitors administered the R&E survey.

The OSU Extension R&E Office provided the survey design and assisted with the implementation of the survey, the analysis of the data, and the development of this report. The Ohio Department of Development provided grant funds to cover a portion of the R&E Program costs.

Survey Highlights

The Greater Toledo Area Tourism Business R&E program visited 60 visitor oriented businesses; all but five (8%) of which were within Lucas County. In most cases, the manager (48%) or owner and manager (28%) were interviewed. Forty-one of the businesses were locally owned, four were part of a regional chain and 13 were part of national or international chains.

The largest number of full-time employees (2,878) are located in businesses within Toledo, but not downtown. Ten businesses that belong to national chains employ 2,495, followed by 32 locally owned and operated businesses employing 2,092.

Businesses were asked to list the major products or services provided. Of the 58 businesses that provided this information, the six most frequent primary and secondary products or services of the

businesses visited were: restaurants and other food facilities, amusements, theater, golf, and lodging facilities.

Employment Information

A total of 4,868 full-time employees and 3,209 part-time employees were reported by the 60 visited businesses, with an additional 937 persons employed seasonally. Only 10 percent of these employees live outside of Lucas County, with two percent living beyond counties adjacent to Lucas County.

One-half of the full-time employees are in sales earning about \$8.00 per hour. Sales also dominate the part-time (43%) and seasonal (47%) categories. About 17 percent of total employees are in the more highly paid professional and management positions.

Improved skills in communications and salesmanship were the two most frequently identified training needs by numbers of businesses and numbers of employees of these businesses.

Inventory control and employee management were the two most frequently identified managerial skills in need of upgrading, each by over one-third of businesses, while word-processing, spreadsheets and data base management were listed as computer training needs by about one-third of the businesses visited. (Figure 1)

Firm Characteristics

Most businesses experienced an increase in customers, sales and profits over the past five years (Figure 2); most also reported an increase in competitors.

However, a disturbing number reported decreases in customers (34%) and profits (30%) during a period of general business prosperity. Many of these businesses may have trouble surviving another recession unless they strengthen their business base.

Many of the businesses (63%) own or lease sufficient property to renovate or expand their businesses. About one-half were considering renovation or expansion when visited while 30 percent were considering opening

another outlet of their business. The most frequent constraints to renovation or expansion are the need for financial assistance or insufficient space.

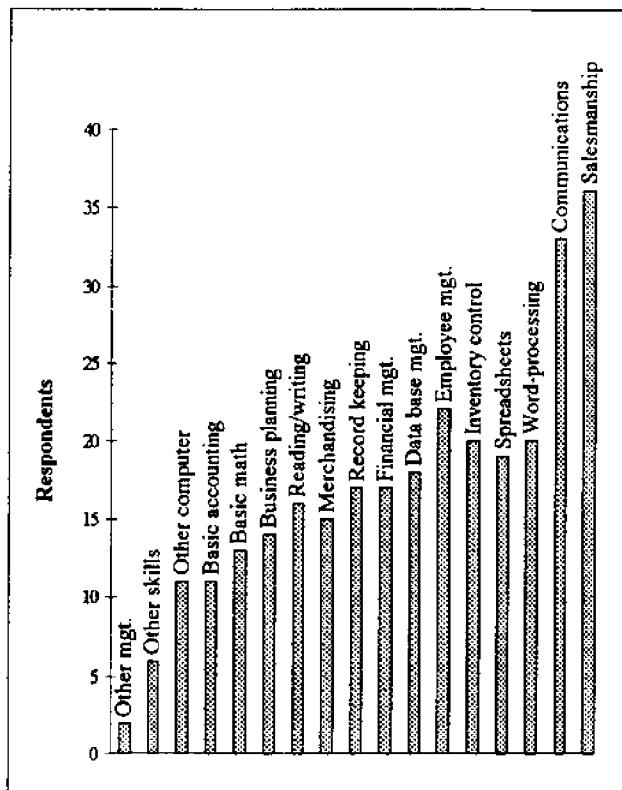


Figure 1. Training Needs of Surveyed Businesses

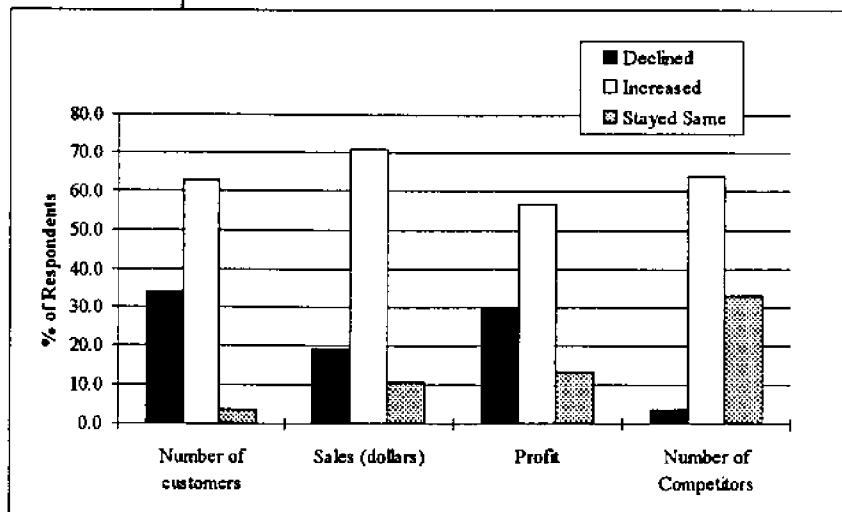


Figure 2. Business Factors of Surveyed Businesses

The Community

In the judgment of area visitor-oriented businesses, the Toledo area is a high cost place to do business with respect to public utility costs, health care costs, workers compensation costs and inventory taxes (Figure 3). Only for transportation costs did more businesses say the Toledo area was lower rather than higher in cost.

The visited businesses rated the service base of the Toledo area very high. Fire protection, emergency medical services and access to higher education were all rated excellent or very good by 80 percent or more of the respondents (Figure 4). Another eight service or amenity categories were rated as excellent or very good by 70 to 79 percent of businesses.

However, several service categories need to be further explored with the businesses. The four services receiving the highest percentage of very poor and poor ratings were street repairs, air service, primary and secondary schools, and quality labor force.

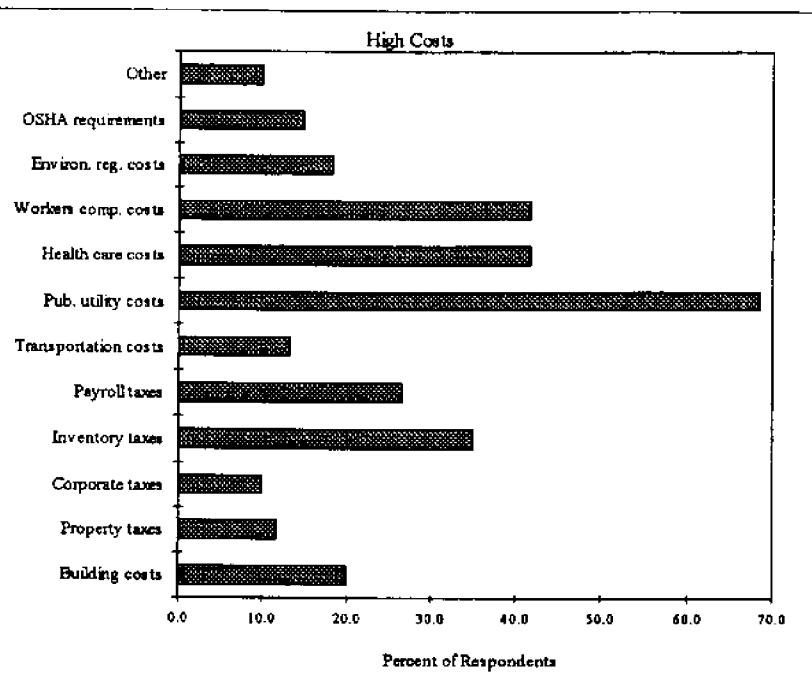


Figure 3. Cost of Doing Business in Lucas County.

Visitor Survey Results

During May to October, 1993, 500 visitors were contacted, and 257 responded. The average expenditures reported per group were \$750 in 1992 and \$765 in 1993. The visitors spend about 26 percent of

their money on restaurants, 19 percent on lodging, 12 percent on clothing stores, 10 percent on entertainment, 7 percent on transportation, and 6 percent each on fees for attraction and groceries, respectively.

Visitors primarily relied on previous experience and recommendations from friends when they were attracted to the Toledo area. Newspapers and TV were the other two most important advertising mediums to bring visitors to the Toledo area. First-time visitors relied most on word-of-mouth referrals, travel agents, and visitor guides.

Most Toledo area visitors come to the area year after year and rely on past experience in deciding whether to visit the Toledo area. The adjacent

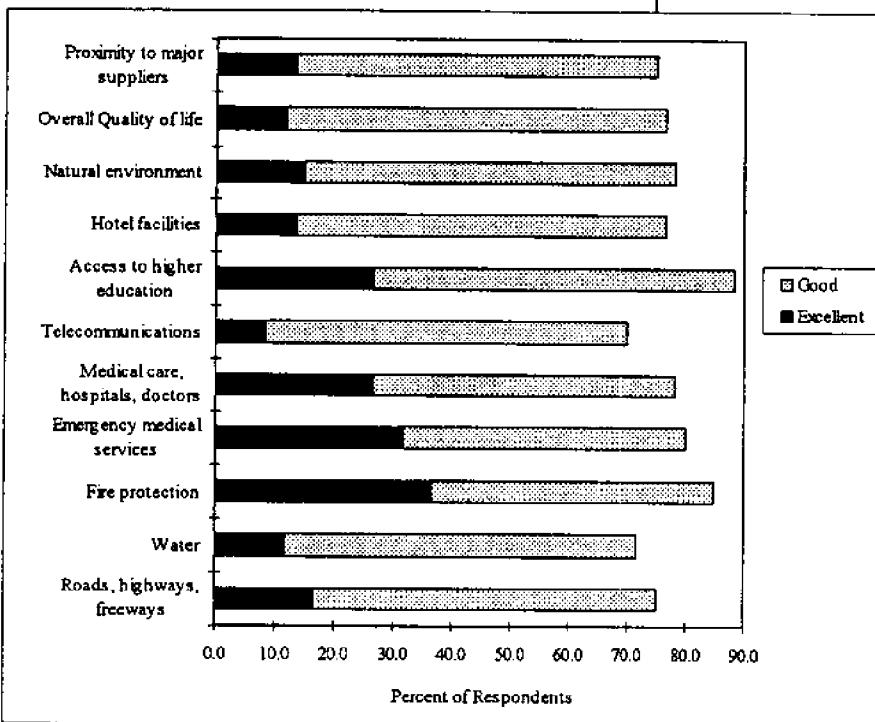


Figure 4. Services and Amenities in Lucas County.

counties (Fulton, Henry, Ottawa, Sandusky and Wood in Ohio, Wayne and Monroe in Michigan) are the primary market for the Toledo area visitor businesses.

Marketing Toledo

The Toledo area has a large convention and visitors industry, but one which appears to be less than fully developed. Lucas County alone comprises some 20 percent of the Lake Erie coastal convention and visitors industry, or nearly 6 percent of Ohio's industry. Yet the Greater Toledo Convention and Visitors Bureau has a budget far smaller than bureaus in other similar sized Ohio cities (Table 1), where each dollar of the Bureau's budget is linked to \$853 in travel generated business. Based on the experience of the other metropolitan areas, an increased Visitors Bureau budget would increase travel generated business receipts in the county. The bureau's budget would need to increase by a factor of two to three to make it comparable to the other four metropolitan area bureau budgets.

Convention and Visitor Bureau	Convention and Visitor Bureau Budgets (\$Mil)	Travel Generated Business Receipts (\$Mil)	Ratio: Receipts/Budgets (\$)
Cincinnati	4.5.	1,316.0	292
Columbus	3.2	1,258.0	393
Cleveland	5.0	1,781.0	356
Akron	1.8	497.6	276
Toledo	.584	498.0	853

Table 1. Ratio of Travel Generated Business Receipts to Convention and Visitor Bureau Budgets (\$Million).

The complete *Lucas County R&E Final Report* provides a detailed review of the survey data. The survey data revealed the concerns of Lucas County businesses and was used by the R&E Task Force to develop the R&E Action Plan presented below.

Action Plan

Following the completion of the R&E business visits, the OSU Extension R&E Staff provided the Lucas County R&E Task Force with an

overview and summary of the data collected. The Task Force was then assisted in the development of the following R&E Action Plan.

Action Planning is an important part of the Ohio Business Retention and Expansion Program. Based on the findings of the R&E business visits, the purpose of the Action Plan is to prepare short-term and long-term action strategies that support community and economic development in Lucas County.

This Action Plan was formulated by the Task Force during a series of meetings focused on developing strategies to improve the business climate for tourism or visitor-related businesses. It is based on the aggregate results of sixty business surveys and 257 visitor surveys which were presented to the Task Force at their initial action planning meeting. The following needs and concerns, were identified by the Task Force during this process:

1. Market and improve the community image (both external and internal).
2. Provide information to businesses on where, how, etc. to obtain expansion assistance.
3. A coordinated plan for downtown Toledo emphasizing targeted attractions and businesses.
4. Network tourism business group within industry/communications with those outside industry.
5. Better understand and address concerns about crime.
6. Address pre-job and on-the-job training issues.
7. Communication with businesses having primary markets outside of adjacent counties could be worthwhile.
8. Communication of the R&E report to the public--both the positive and the negative--along with recommendations.
9. A comparison of businesses costs, especially those rated high (utilities).
10. Assistance (financial and technical) for service businesses including training, writing business plans, loan availability.

The Task Force then prioritized these business climate concerns and chose four to address in the Action Plan.

The Task Force chose these four issues as highest priority based on two criteria: 1) They are highly critical issues to the improvement of the visitor oriented business climate for the Toledo area and 2) they are issues where the Task Force in collaboration with other affected businesses and city officials can make a difference.

Objectives and action steps were then formulated for the four most important concerns as determined by the Task Force. The objectives below are the long term outcomes desired and the specific actions are the more immediate steps to be undertaken.

This is not a comprehensive plan as it does not attempt to address every local business climate concern. Rather this plan is the result of an action planning process that prioritizes the identified issues and takes them a step further by putting them into action form.

Strengthen Marketing Plan

Background:

Businesses rated more advertising as one of the most needed improvements and visitors also rated advertising as one of the most needed tourism improvements.

The Greater Toledo Convention and Visitors Bureau (GTCVB) prepares an annual marketing plan; however, insufficient funding keeps the plan from being fully implemented. A comparison of budgets of other Ohio metropolitan Visitors Bureaus shows the GTCVB budget is the lowest of the five metro areas. One explanation for this is the Lucas County hotel and motel tax, normally used for marketing purposes, is dedicated to retiring the debt on SeaGate Convention Centre.

Twenty-seven businesses look to the GTCVB for leadership in the development of tourism, while 13 look to the Chamber of Commerce and three to the Port Authority. Of these the Visitors Bureau and Chamber were jointly listed by four businesses while the Visitors Bureau and the Port Authority were jointly listed by two businesses.

Objective One:

Develop mechanisms to assist the Greater Toledo Convention and Visitors Bureau (GTCVB) in implementing their marketing plan.

Task Force Members Responsible:

Rob Armstrong, Fred Harrington, Herb Hoehing, Kevin Lonseth and Carolyn Schermbeck.

Specific Actions:

1. Review the current GTCVB Marketing Plan and provide feedback to it's Advisory Board.
2. Establish a liaison representative between the R&E Task Force and the GTCVB Advisory Board.
3. Develop a plan for the use and benefits of additional public and private financial support for the GTCVB Marketing Plan and clarify the sources and uses of the current bed tax and communicate the findings to the business community.

Better Information

Background:

Visitor-related businesses are not specifically serviced by any local economic development organization, although over one-half of the businesses were planning an expansion or renovation and 30 percent were considering opening another outlet for their business. All surveyed businesses were interested in finding out more about State of Ohio financial and technical assistance programs and other business programs, many of which are available on a local basis.

The Toledo Area Small Business Development Center and the Ohio State University Sea Grant Extension Office are currently assembling a small business service directory which will include a complete listing of agencies who provide assistance to small businesses.

Objective Two:

Develop methods to disseminate information regarding local and state business assistance programs to visitor and travel related businesses.

Task Force Members Responsible:

Mary Bielen, Linda Fayerweather, and Mike Lora.

Specific Actions:

1. Involve a GTCVB employee or appointee in the development of the Toledo area small business service directory project.
2. Provide the directory to GTCVB member businesses when completed.
3. Investigate ways to disseminate information on relevant state business assistance programs to visitor and travel-related businesses.

Downtown Is Important To Tourism

Background:

The potential contribution of the downtown to tourism is well recognized by area businesses. A downtown attraction was listed by a significant number of businesses as a type of attraction that would increase area tourism and convention business.

Over 80 percent of the businesses viewed tourism as an economic impact generator and over two-thirds of the businesses expected that a regularly scheduled transportation link, a bus or trolley, connecting major points of interest would increase area tourism.

Downtown decline, however, was listed as the second most specific threat to the well-being of area businesses and the community.

Objective Three:

Communicate the findings of the R&E Program, especially those regarding the downtown, to the City of Toledo Department of Development, Downtown ToledoVision, Inc., Lucas County, and downtown businesses.

Task Force Members Responsible:

Mary Bielen, Jack Jones, Judy Jones, Mike Lora, Norm Moll, Joe Moran, and Barb Shinevar

Specific Actions:

1. Develop a fact sheet that communicates the findings of the R&E Program, especially those regarding the downtown, and distribute to all concerned organizations and downtown businesses.
2. Present the findings of the R&E program, when possible, at meetings related to downtown development.

Business Network Needed**Background:**

As a result of the R&E Program, the Task Force indirectly discovered that visitor-related businesses did not regularly communicate with one another. It was not clear if there were mechanisms in existence for these businesses to network with each other.

More information is needed to be able to institute an effective means of accomplishing this objective.

There may be potential for more cooperative advertising arrangements among area businesses. About one-third of businesses reported sharing advertising expenses in the form of cooperative advertising. Another one-third said they were not sharing expenses, but about two-thirds of these would consider sharing advertising expenses.

Objective Four:

Develop a Toledo area regional business network to foster communication among visitor and travel related businesses.

Task Force Members Responsible:

Linda Fayerweather, Fred Harrington, Judy Jones, and Carolyn Schermbeck

Specific Actions:

1. Organize a meeting of visitor and travel related businesses to obtain input into possible networking needs, interests and structure.
2. Develop a visitor and travel business network plan based on input from the meeting.
3. Investigate additional cooperative advertising arrangements and other working relationships with area businesses, the Ohio Division of Travel and Tourism, and other Convention and Visitors Bureaus in the region, in coordination with the Greater Toledo Convention and Visitors Bureau.

R&E Task Force

Carolyn Schermbeck
Norman Moll
Fred J. Harrington
Jack Jones
Judy Jones
Rob Armstrong
Barbara Shinevar
Herbert Hoehing
Joseph Moran
Mike Lora
Mary Bielen
Kevin Lonseth
Linda Fayerweather

R&E Volunteer Visitors

Pat Kenny
Beth Yingling
Bob Beach
Laura Wyrick
Tom Manahan
Chip Dennison
Ken Brandt
Kelly Shulte
John Whitmore
Larry Ohlman
Liza Syvert
Annetta Kennedy
John Pratt
Eileen Teall
Debbie Burman
Patricia Pecora
Rich Nachazel

Michelle Quilter
Diana Hartman
Julie Bolfa
Carol Ragozzino
Libby Marsh
Susan Podracky
Georgia Goldsmith
Jill Woodyard
Kelley Allred
Rob Greenlese
John Henry Fullen
Charlie Emmenecker
Debra Fruth
Dan Douglas
Jearnine Baibak
Ray Busick

R&E Businesses

Businesses in the Toledo, Maumee, Oregon, and Swanton area

<i>University of Toledo, Toledo</i>	<i>Valleywood Golf Club, Swanton</i>
<i>The Andersons, Maumee</i>	<i>Bluebird Passenger Train, Perrysburg</i>
<i>The Lion Store, Toledo</i>	<i>Wolcott House Museum Complex, Maumee</i>
<i>Maumee Bay Resort and Conference Center, Oregon</i>	<i>Talking Turtle Gift Shop, Maumee</i>
<i>St. Luke's Hospital, Maumee</i>	<i>Shawnee Princess, Toledo</i>
<i>Crowne Plaza Toledo, Toledo</i>	<i>Toledo Botanical Gardens, Toledo</i>
<i>Toledo Zoological Society, Toledo</i>	<i>B&B Bait and Beverage Cafe, Toledo</i>
<i>Toledo Museum of Art, Toledo</i>	<i>Breaktime Charters, Walbridge</i>
<i>Toledo Mud Hens Baseball Club, Toledo</i>	<i>Rosie's Family Restaurant, Toledo</i>
<i>Libbey Glass Factory Outlet, Toledo</i>	<i>Spaghetti Warehouse, Toledo</i>
<i>Toledo Symphony Orchestra Association, Toledo</i>	<i>TGI Fridays, Toledo</i>
<i>Harbor Light Cruise Lines, Inc., Toledo</i>	<i>Bill Knapp's Restaurant, Toledo</i>
<i>Raceway Park, Inc., Toledo</i>	<i>Carmel's Mexican Restaurant, Toledo</i>
<i>Tony Packo's Cafe, Toledo</i>	<i>Dominic's Italian Restaurant, Toledo</i>
<i>Toledo Area Regional Transit Authority, Toledo</i>	<i>Parmelee's American Restaurant & Bakery, Maumee</i>
<i>Lucas County Recreation Center, Maumee</i>	<i>Four-E-Ranch Restaurant, Toledo</i>
<i>Mary's Enterprises Division-MCL Group, Toledo</i>	<i>The Board Room, Toledo</i>
<i>Crow Executive Air, Inc., Millbury</i>	<i>Lee's Restaurant, Waterville</i>
<i>Duke's Taxi, Toledo</i>	<i>Cousino's Steak House, Oregon</i>
<i>Brenner Marina, Toledo</i>	<i>Holiday Inn-French Quarter, Perrysburg</i>
<i>Pier 75, Toledo</i>	<i>Econo Lodge, Toledo</i>
<i>Toledo Tours, Toledo</i>	<i>Red Roof Inn, Maumee</i>
<i>Marshall's Inc., Holland</i>	<i>Motel 6, Toledo</i>
<i>Big & Small Lots, Toledo</i>	<i>Radisson Hotel of Toledo, Toledo</i>
<i>Target Store, Toledo</i>	<i>Toledo Sports Arena, Toledo</i>
<i>Hills Department Store, Toledo</i>	<i>Lighthouse Banquet Hall and Cafe, Toledo</i>
<i>K-Mart Store #4166, Toledo</i>	<i>SeaGate Convention Center, Toledo</i>
<i>Value City Department Store, Toledo</i>	<i>Nazareth Hall, Grand Rapids</i>
<i>Agency Rent-A-Car, Toledo</i>	<i>Theos Tavern & Greek Restaurant, Toledo</i>
<i>Buckeye Rent-A-Car, Maumee</i>	
<i>National Car Rental, Swanton</i>	