

CitiPlan 2020 Focus 2010 and Beyond

Economic Development Component 2007



CityWide Development Corporation

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1. Introduction

1.1 Committee Members & Other Participants

The Economic Development Component of CitiPlan 2020: Focus 2010 & Beyond was developed under the auspices of the Strategic Development Committee at CityWide Development in conjunction with various ad hoc subcommittees, interviews with business and academic leaders, and recommendations from City and government leaders. The participants and their affiliations include:

Strategic Development Committee Members:

- Michael Adler: Motophoto, Retired
- Brian Bucklew: Greater Dayton Area Hospital Association
- Terry Cowdrey: 5/3 Bank
- Dee Delaney: Sinclair Community College
- Gwen Eberly: City of Dayton
- Dr. Michael Ervin: Wright Health Network, Retired
- Norm Essman: City of Dayton
- Dick Flitcraft: Monsanto, Retired
- Roger Furrer; 1st Financial Bank
- Sam Gould: University of Dayton
- John Gower: City of Dayton
- Mike Herr: Thompson, Hine & Flory
- Christine Howard: Dayton Development Coalition
- Dr. Bor Jang: Wright State University, School of Engineering
- Dr. Robert Johnson: Sinclair Community College
- Joe Keller: Bank One
- Bob May: Wright Patterson Air Force Base
- Mary Ellen Mazey: Wright State University
- Mickey McCabe; University of Dayton Research Institute
- Phil Parker: Dayton Area Chamber of Commerce

- Dr. Howard Part: Wright State University School Of Medicine
- Maureen Pero: Downtown Dayton Partnership
- Rich Salamone: Relizon Corporation
- Bill Schooler: Northwest Priority Board
- Diane Shannon: City Of Dayton
- **Harry Seifert: Standard Register, Retired; Chair**
- Joe Tuss: Montgomery County
- Jim Whalen: Gem Engineering
- Richard Wright:
- Al Wofford: CDO Technologies
- Steve Budd: Citywide Development Corporation
- Katie Helldoerfer: Citywide Development Corporation
- Steve Nutt: Citywide Development Corporation

Additional Participating Entities:

- Business Cluster Development, Inc.
- CareSource
- Central State University (Engineering & Water Resource Dept)
- Children's Hospital
- City of Dayton Staff (from various departments)
- Community Blood Center
- DaytaOhio
- Dayton Area Chamber of Commerce
- Dayton Aviation National Historic Park, National Park Service
- George, Henry, George Consultants
- Good Samaritan Hospital
- Grandview Hospital
- Greater Dayton Area Hospital Association
- Kettering Medical Center
- Miami Valley Hospital
- Miami Valley Research Park

- National Composite Center
- National Park Service
- University of Dayton Research Institute
- VA Medical Center
- Wright Dunbar Inc.
- Wright State University – School of Engineering
- Wright State University – School of Medicine
- Wright Patterson Air Force Base

1.2 Purpose of the Plan

The integration of global markets onset by cheap, ubiquitous telecommunications, cheap labor, and the opportunities to market goods to enormous foreign markets have triggered a sea change that has and will forever alter the status quo. The inevitability of global change forces regional economies and core cities to either adapt to its forces or to be left behind. Accordingly, this “new order” of external factors poses new challenges and opportunities for the Dayton economy.

The purpose of this plan is to serve as a guide to build prosperity in a new age of global specialization and growing regional relocation competition. It is intended to be a living document that should evolve and grow with an ever changing set of circumstances in a rapidly shifting environment. The economy of today brings new players, new strategies, and an entirely different style of play. In order to remain competitive and growth-oriented, Dayton, like other communities, will need to redirect its attention to a new and imaginative way of thinking, one that embraces collaboration, creativity, innovation, and productivity.

CitiPlan 2020: Focus 2010 & Beyond builds upon the policy direction set forth in Focus 2010 by developing more detailed objectives and strategies designed to grow economic development opportunities in the City of Dayton. Successful implementation of this plan is predicated on vigorous engagement from multiple partners including the City of Dayton, CityWide Development Corporation, the Downtown Dayton Partnership, the Greater Dayton Chamber of Commerce, Montgomery County, Dayton Development Coalition, and others.

Note: This document is intended to be only the **economic development component** of a more comprehensive CitiPlan Dayton 20/20. While all the components of CitiPlan 20/20 are meant to be integrated and mutually supportive, the recommendations for the Community Development & Neighborhoods; Open Space and Quality of Life; City Services; and the Youth, Education, & Human Services are addressed elsewhere and are not specifically focused on in this component of the plan.

“There is now no doubt that the industrial economy is giving way to the creative economy. Corporations and whole communities are at another crossroads. Attributes that made them ideal for the 20th century could cripple them in the 21st, so they will have to change dramatically.”

John M. Eger.

President

The World Foundation for Smart Communities

1.3 Development & Investment Principles

- Create collaborative partnerships
- Recognize, utilize & maximize existing assets
- Link jobs with amenities & housing
- Leverage public & private resources
- Layer related projects together
- Produce sustainable benefits
- Generate return on investment

1.4 Performance Metrics

Focus 2010 & Beyond is a ***dynamic*** document that will require ***ongoing*** additions, adjustments, monitoring, and measurement.

Performance will be measured by tracking the following points of reference:

- New Jobs Created as a Result of the Objectives and Strategies Recommended in the plan
- Rankings and national recognitions as one of the “Best Places for Business” in the US
- Growth of the identified new industry clusters
- New Downtown housing units and jobs
- The number of new business startups
- Business retention & expansion results

An action plan that more specifically outlines action items, responsibilities, timelines, and benchmarks is attached as an appendix to this document.

1.5 Situation Analysis. The City experienced a 13% reduction in jobs between the years 1995-2005. Recent announcements from Delphi, Mead/WestVaco and others indicate that the current trend in job losses are likely to continue through the foreseeable future.

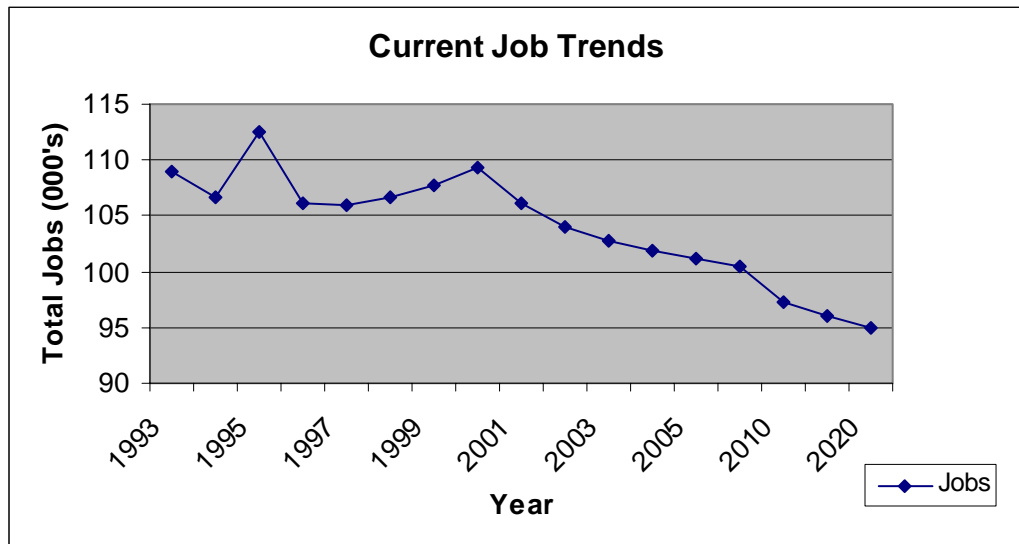
Even more concerning is the nature of the jobs that are being lost. The majority of recent job losses are attributable to businesses that attract net new wealth (“wealth attractors”) to the community by selling products and services to customers located beyond our marketplace. Gone unchecked, the loss of “wealth attractors” will have a detrimental impact on the City’s economic foundation.

The City and region must replace recent losses by creating a new base of “wealth attractors”.

* **Diagram 1:** Historic & Projected Job Trends Without Intervention (blue line).

Recent announcements from Delphi, Mead/WestVaco, and others indicate that without intervention, the current trend of job losses are likely to continue through 2020. The City experienced a 13% reduction in jobs between the years 1995-2005.

If the City had participated in the economic gains experienced by most of the U.S. between 1990-2005, employment in the City would have increased by upwards of 16,000 jobs.



1.6 Economic Development Challenges. The City faces two primary and formidable economic challenges; the challenges are to:

- 1) Retain and grow its business and institutional assets in the face of fierce and growing relocation competition; and to
- 2) Find new ways to compete in an increasingly specialized knowledge-based global economy.

These challenges are not mutually exclusive. Rather, the solutions to address these challenges will need to be intertwined and are mutually dependent.

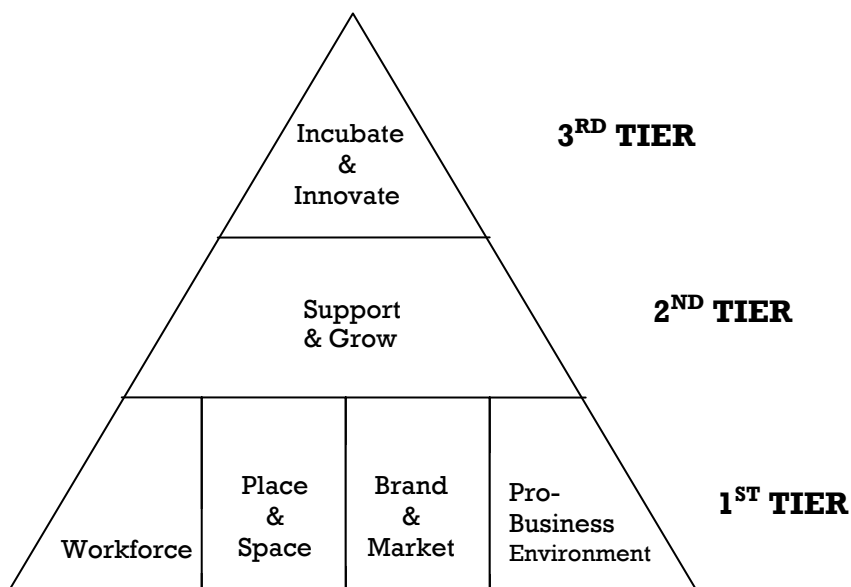
1.7 Asset-Based Development Approach. The community's success at tackling the challenges identified above will depend on the community's ability to support, link, and leverage its assets in a way that provides advantages to both existing and new businesses/industry clusters. Ignoring our current business base would be tantamount to economic suicide and failure to plant the seeds of progress for the future economic base would result in long run destruction.

Therefore, the City will leverage its unique assets and partner with business, academia, and institutional anchors to implement an asset-based development approach.

Four primary underpinnings are the foundation of this approach and are the building blocks necessary to support the second and third tiers of the development pyramid shown below.

The four primary components are to:

- 1) Provide a **Qualified workforce (human assets)** that better reflects the needs of area businesses while supporting efforts to grow expertise in targeted industry clusters;
- 2) Create marketable **Places and Spaces (physical assets)** by utilizing City amenities to create attractive environments that are attractive to employees and to businesses;
- 3) **Brand and Market (image assets)** an image that supports the City's Vision statement; and brand Dayton as:
 - As a City that is eager to collaborate and partner with business
 - As a world class technology center with a focus in Advanced Materials, Data Management, and AeroSpace Medical Research
 - As a livable City that appeals to all people
- 4) Establish a **Pro-Business Environment (government support assets)** by structuring government processes and structures to not only allow creativity but to encourage and promote it.



The second tier of the development pyramid, **Support & Grow**, is the mainstay of economic development, given that most job creation and hence job opportunities for City residents come from supporting and growing existing businesses. The City must continue to support the productivity and profitability of businesses by means of establishing a pro-business environment that:

- provides prompt service delivery and response;
- is eager to collaborate and partner with business;
- encourages and often facilitates the adoption of new technologies by creating linkages with regional research and development initiatives;
- encourages collaboration, creativity, and open-mindedness;
- links businesses and institutional anchors with neighborhood amenities

The third tier of the development pyramid, **Incubate & Innovate**, will create a supportive infrastructure that encourages and facilitates constant and rapid deployment of new ideas and new businesses. In a world of constant, increasingly rapid, and unpredictable change; the City must facilitate an environment that supports the commercialization of new technologies and a perpetual churning of new businesses.

2. Preamble: Changing Economic Factors & Strategic Imperatives

- 2.1 Regional Supply of Commercial & Industrial Space. 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, the City must protect its interests by competing aggressively in the regional market.
- 2.2 Functional Obsolescence. Much of the City's commercial real estate is functionally obsolete and often not located in business-friendly environments. The City will need to aggressively identify and develop new commercial products that address today's business needs for flexible and more horizontal space, low operating costs, proximate parking, and employee friendly surroundings.
- 2.3 Urban Advantage. The City must leverage its authentic cultural, structural, architectural, transportation, and leadership resources to differentiate and distinguish its product by creating a business community of choice.
- 2.4 Green Development. Businesses today are more environmentally conscious than ever before. The City of Dayton needs to respond by offering green development building options that will reduce building impacts on human health and the environment while illustrating the forward-thinking nature of the community.
- 2.5 Technology Sector Creates Jobs at Various Levels. Technology businesses create a wide range of positions at *various levels of skill competency*. Positions will range from technical degrees to a college education along with offering skilled and semi-skilled options. Additionally, the creation of new technology jobs attracts new wealth to the community which creates additional "indirect" and service sector jobs.
- 2.6 Structural Shifts. Commodity production operations will continue to automate and relocate operations to less costly regions of the world. The City must work with regional partners to transition its economic base from that of a producer of commodity goods to a knowledge/creativity-driven economy that will include opportunities in advanced manufacturing/materials, data management, health, sensors technologies, and aerospace.
- 2.7 Creative Destruction. Business operates in a world of increasingly rapid, continuous, and unpredictable change. Functional integration among businesses, outsourcing partners, and short-term project collaborations blur traditional company and employee affiliations. Generally, Dayton and other cities will not have a fixed set of companies or jobs and must therefore, create a supporting infrastructure that encourages and facilitates constant and rapid deployment of new ideas and new businesses.

"the dawning 'flat world' is a jungle pitting 'lions' and 'gazelles,' where 'economic stability is not going to be a feature' and 'the weak will fall farther behind.' Rugged,

adaptable entrepreneurs, by contrast, will be empowered.”

Tom Friedman,

Author, The World is Flat

- 2.8 Global Business Operations. Companies today succeed by harnessing the strengths of different regions internationally. Dayton must develop core competencies in key industry sectors that are valued in the global marketplace.
- 2.9 Job Growth. The major source of new jobs are and will continue to be the growth of young companies and the startup of new ones. Dayton must focus economic development resources on small businesses, particularly small businesses that increase the wealth of the region by exporting products or services to markets outside the City and region.
- 2.10 Regional Collaboration & Competition. The City is inextricably tied to the regional economy. This requires that the City & CityWide Development Corporation **proactively insert** itself into the regional decision-making process. Additionally, the City will need to provide a readily available inventory of development-ready sites, spec building space, or work to create JEDDs that will reflect the facility needs required by current business trends and compete favorably within the regional market.
- 2.11 Value Proposition. To be competitive, companies must perceive that there are competitive advantages—in terms of cost effectiveness, efficiency, ease of operations, productivity, and creativity---by operating in the City of Dayton.
- 2.12 Technical Talent. Businesses follow talent. To succeed, companies need to be located in communities that are able to retain graduates and attract technical talent from around the world. Dayton must create a climate that is attractive to the “creative class” and open to new ideas. The City must also partner with academia and business to make sure that the region is producing workers whose skills are closely aligned with cluster strategies and market demand.
- 2.13 Community Success Factors. Dayton has a number of assets that it should leverage more completely for competitive advantage. These assets include WPAFB, University of Dayton, Wright State University, Central State University, Sinclair Community College, Dayton International Airport, National Composite Center, Downtown Dayton, and six (6) large medical centers.
- 2.14 Creativity in a Rule Structured Organization. The new economy compels government organizations to structure in a manner that allows creativity. Rule structured and traditional organizations are bureaucratic, rule bound, inflexible, and creativity killers. Sometimes creativity is viewed as simply an attempt to avoid the rules or worse yet, threatening. The City of Dayton, CityWide Development, and other supporting economic development partners will need to establish processes and structures that not only allow creativity, but encourage and promote it.

Apple Computer's iPod is often cited as an example of the kind of innovation most people are talking about. Providing easy, legal access to lots of songs (iTunes) was something

no one had yet managed. It was not simply making a slick piece of hardware; it was the design of a whole system that made Apple the leader of the innovation economy.

John M. Eger. President

The World Foundation for SmartCommunities

3. The Vision

3.1 The Vision. Dayton will become universally known as a center for creativity and openness to new ideas where knowledge-base workers choose to locate so that they can:

- Participate in the dynamic technological developments that are occurring in the areas of data management, sensors, advanced materials/manufacturing, & aero medicine.
- Enjoy the vibrant lifestyle & energy that the City provides for recreation, entertainment, nightlife, unique & varied housing, & diversity.
- Benefit from the nurturing environment which will help to start more new business ventures per capita than any other city in the US.

3.2 The Opportunity. The City is at an economic crossroads. Profound changes in the international and local marketplace provide both challenges and opportunities for the City to compete in a new age. This plan embraces the fundamental changes occurring in the global marketplace and identifies significant opportunities for the future.

The plan is strategic, bold, and manageable, but it's success requires:

- Earlier & longer term involvement with potential partners.
- More collaboration and risk.
- Patience---longer term benefits.
- Realignment of economic development resources to better service a much faster paced business environment.
- A proactive & strategic approach that allows the City to manage its destiny rather than to simply respond to outside pressures that are often incongruent to a comprehensive strategy.
- ***Participation from partnering entities. Moreover, many of the initiatives identified in this plan will be led by partnering organizations and the funding necessary to implement many of these strategies will be leveraged from outside sources.***

3.3 Mission Statement. Transition the City's economic base from the production of commodity goods to a knowledge-based and a creativity-driven economy.

3.4 Intervention Impact.

* **Diagram 2:** Historic & Projected Job Trends Without Intervention.

Recent announcements from Delphi, Mead/WestVaco, and others indicate that without intervention, the current trend of job losses are likely to continue through 2020. The City experienced a 13% reduction in jobs between the years 1995-2005.

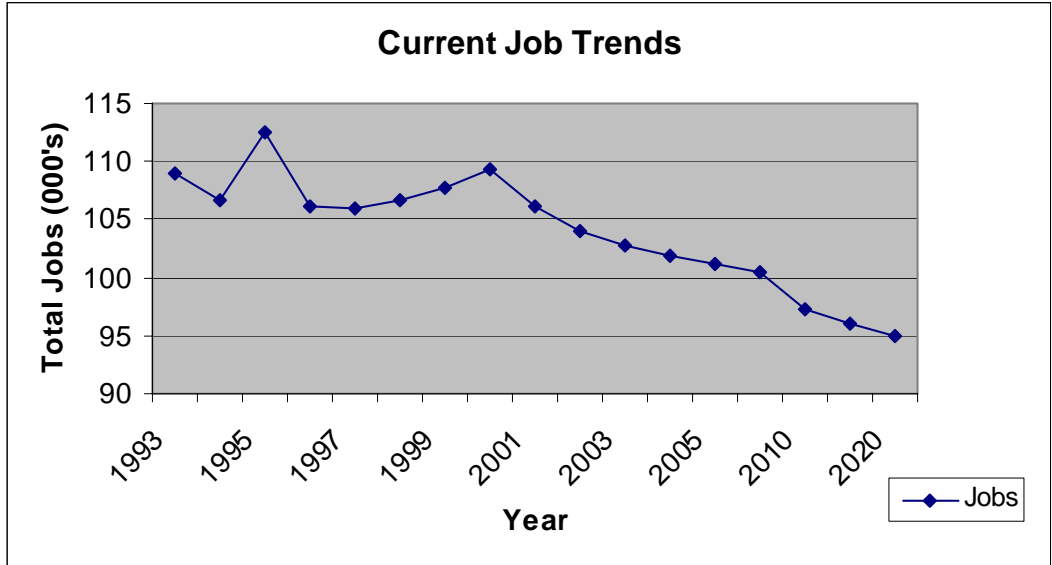


Diagram 2a: Employment by Industry Sector

Diagram 2a illustrates employment trends by industry sector from 1993-2006. The Manufacturing sector has been removed to demonstrate how both growth and job loss has stayed relatively steady in all other sectors.

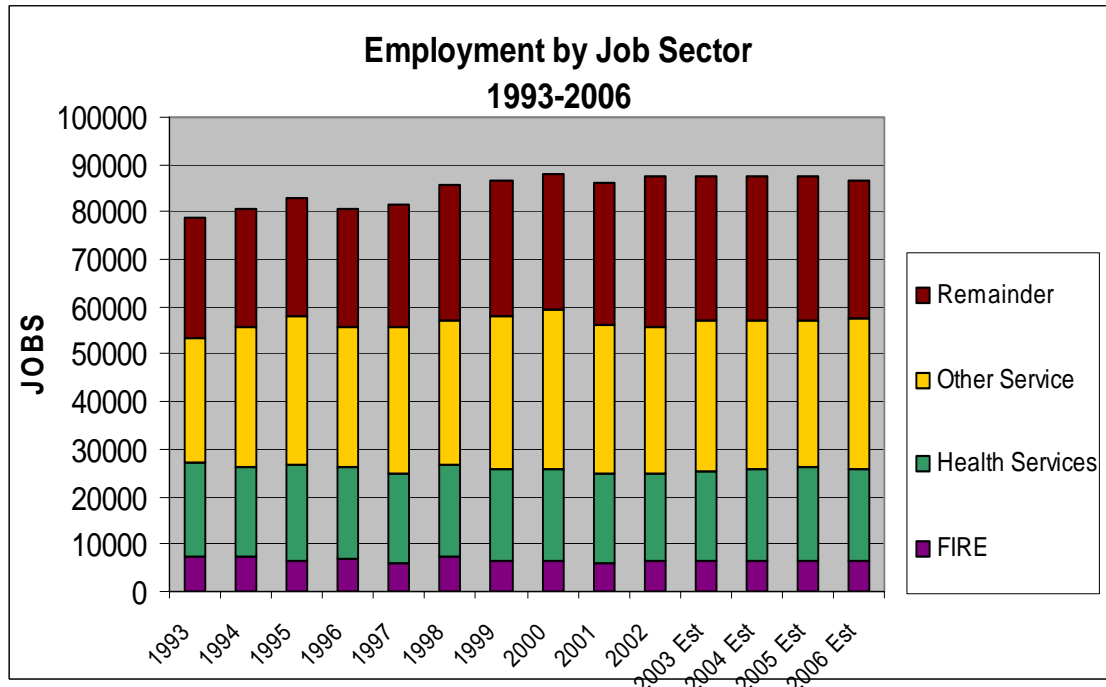


Diagram 2b: Manufacturing Job Loss

Most of the job losses experienced over the last 10 years are directly attributable to the manufacturing sector which has also experienced significant losses at the national and international level. This graph illustrates employment trends and projections by the manufacturing sector from 1993-2020.

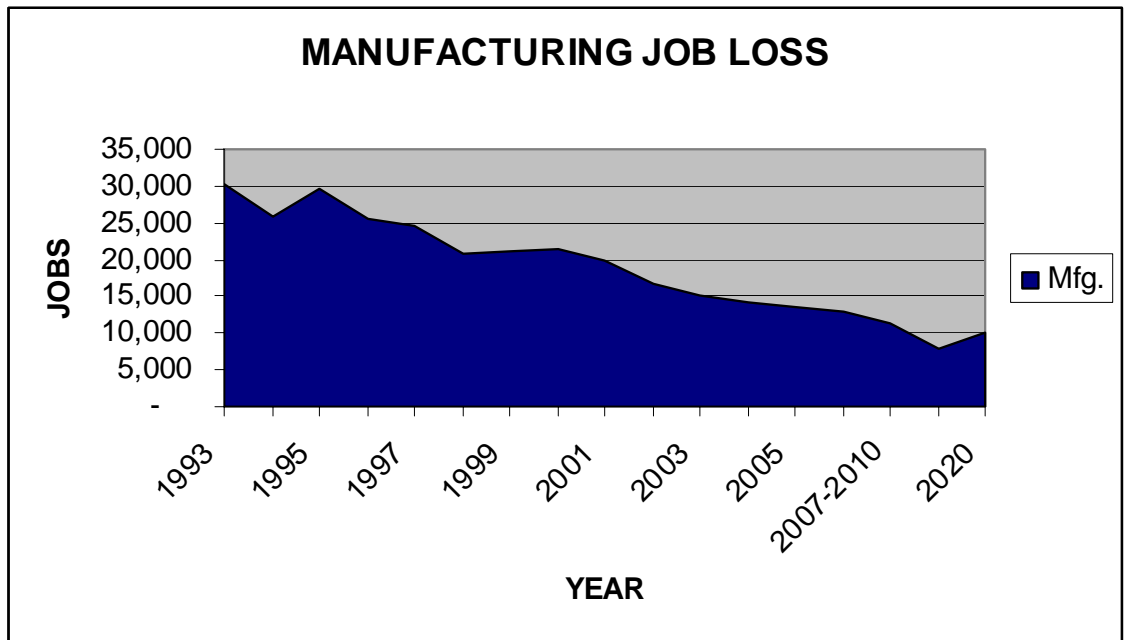
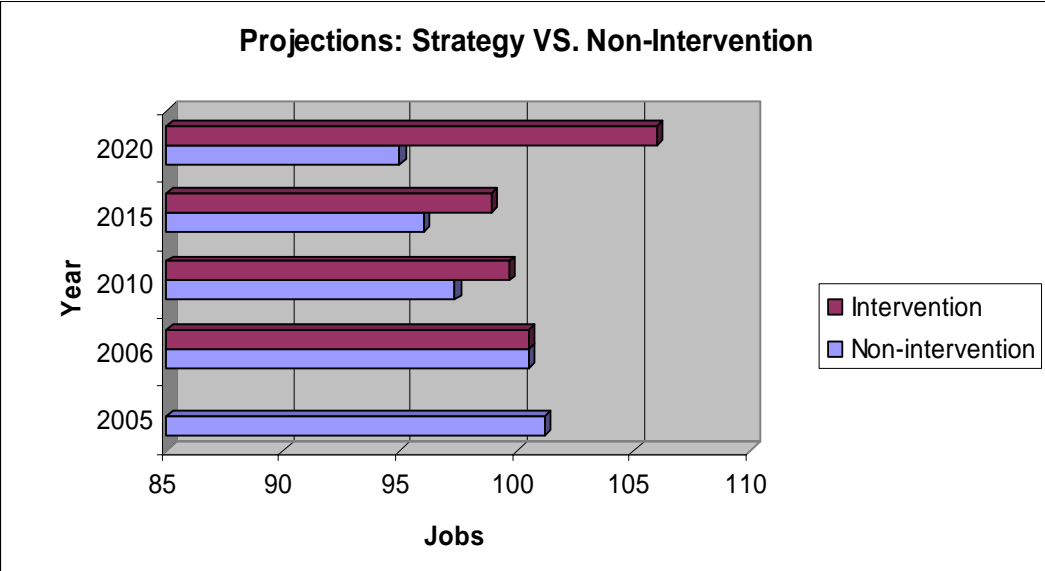
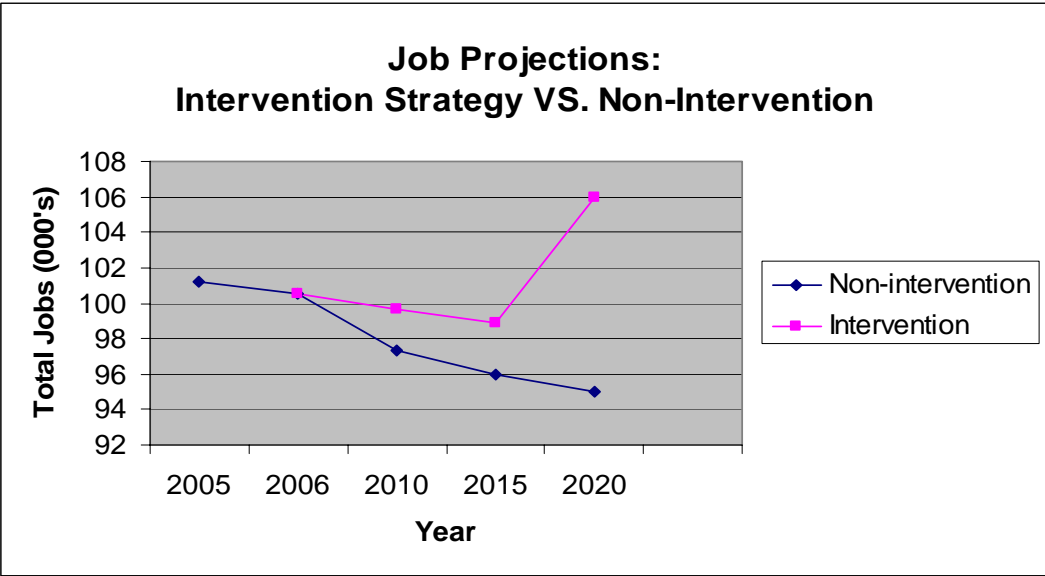


Diagram 3: Projected Job Impact of the Plan

The difference between the "intervention" and the "non-intervention" graph lines shows the projected number of new jobs that will be created by executing the recommendations specifically identified in this plan.

This plan represents an opportunity to reverse current job loss trends and to ultimately help maintain a critical mass of jobs and population necessary to sustain other businesses and industry sectors.

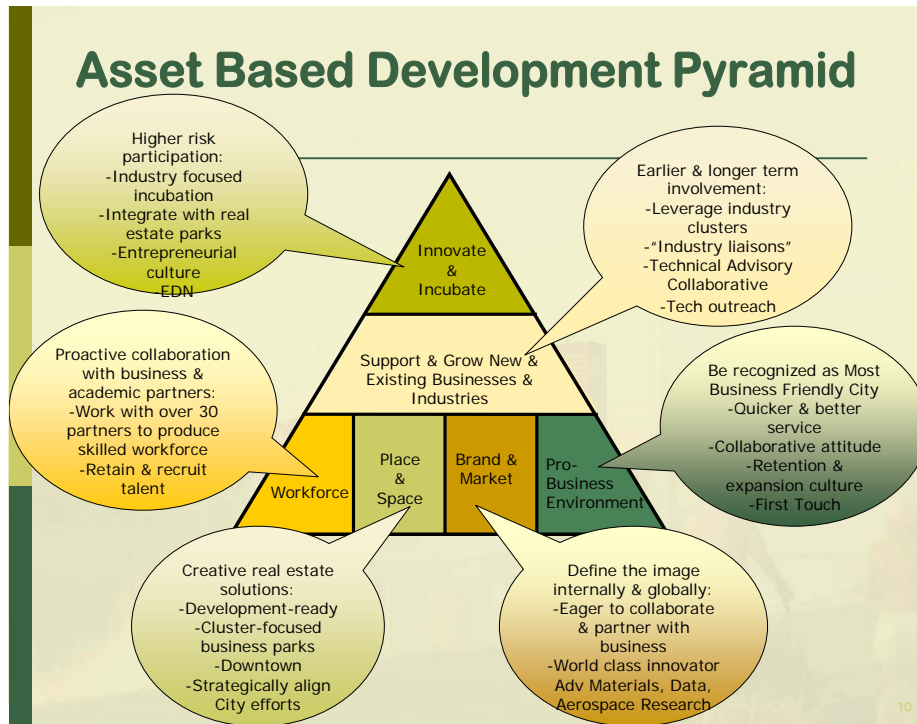
Note: significant job creation will be a long-term proposition. It will take time for the community to reposition itself by creating a new economic base that replaces job losses in the automotive and commodity production sectors. Job creation in the new industry clusters is likely to start slow and then grow exponentially. For this reason, the number of jobs represented is somewhat conservative. There is great opportunity for these numbers to increase as the clusters grow.



4. Objectives & Strategies

Asset-Based Development

This plan is founded on an asset-based development strategy designed to support and grow existing businesses while specifically targeting the development of existing and emerging industry clusters. The City will collaborate and partner with academia, business, institutions, and neighborhood anchors to successfully implement each level of the Asset-Based Development Pyramid shown below.



FIRST TIER:

The asset-based development approach recognizes four critical components that together formulate a foundation necessary for economic development to occur. These "First Tier" components are: a qualified workforce (human assets), development-ready places & market appropriate spaces (physical assets), a pro-business environment (government support assets), and image intangibles (marketing assets). Retaining and growing existing businesses and incubating new businesses can only happen when the community is able to provide these four basic essentials which constitute the foundation of the development pyramid shown above. The remainder of Section 4 describes the implementation strategy designed to effectively leverage our assets by developing each tier of the pyramid development model.

WORKFORCE

4.1 Human Capital Development—Provide Workforce to Support Market Demand

Successful implementation of this plan will depend upon the community's

ability to provide businesses with a pool of talented workers who possess the skills demanded by businesses in each of the identified industry clusters: Advanced Materials & Manufacturing, Data Management & Sensors Technologies, Aerospace Medicine, Health Care Services, and Heritage, Cultural, and Recreational Tourism.

The City will be proactive and work closely with its workforce development partners to ensure that the community is producing workers who possess skills that are closely aligned with market demand. Engaging all of these partners in the implementation of the City's Economic Development Strategy will be key to its success.

Additionally, the City and its economic development partners will establish a coordinated community campaign to retain and attract the region's "creative class" as well as semi-retired workers who possess desired skill sets. Moreover, the City will also work with our regional partners to target and attract specific skill sets that may not otherwise be available in the community.

PLACE & SPACE

4.2 Create Development-Ready Space

Businesses today are growing, expanding, and often making decisions at a very rapid pace. If businesses located within the City of Dayton are looking to expand or build, as a City we must be ready to offer them options to do so immediately.

Therefore, the City will provide a consistent inventory of "shovel ready" development land and existing spec building space for commercial and industrial users. The development-ready space will be designed to meet the needs of today's business climate and will offer compelling amenities to attract tenants.

4.2.1 Cluster-Focused Business Parks. Cluster-Focused Business Parks are targeted geographic areas that will provide development-ready real estate and spec building space for core industry-related or supportive cluster tenants. Here, businesses, academia, and government will collaborate to create synergy among core industry tenants, support core industry cluster development, promote commercialization of new technologies, promote a networking environment, and provide an attractive environment for workers.

4.2.1.1 Tech Town. Tech Town will serve as a high tech, high touch, urban, live, work, and play district that will nurture the development of new technologies and small technology businesses. The district will:

- Integrate with the "industry cluster" strategy
- Focus on technology commercialization. Probable target industries include Data Management, Sensor Technologies, and Aero Medical Technologies
- Encourage collaboration and networking opportunities
- Provide shared resources for training, purchasing, equipment, & marketing services

- Market as a supporting partner to WPAFB efforts
- Appeal to “creative class” as a live, work, and play district that offers a unique “cool and hip” atmosphere
 - Leverage downtown assets
 - Provide employee amenities
- Develop areas close to Tech Town and the Dayton Campus for Advanced Materials Technologies that could support manufacturing activity growing out of product development and commercialization phases. The linkage of technology producers to companies that implement that technology is critical and close proximity will be important.

4.2.1.2 Stewart Street/University of Dayton. Partner with existing institutional and private sector anchors to develop this area to its highest and best economic development potential.

- Facilitate a coordinated master planning process that includes the University of Dayton, Miami Valley Hospital, NCR, Montgomery County and other stakeholders.
 - ◆ Leverage technology and workforce development competencies to identify key opportunities
 - ◆ Create “cool & hip” atmosphere where creative workers will want to locate
 - ◆ Probable industry targets include Advanced Materials & Manufacturing, Health Care Services, & Data Management

4.2.1.3 Dayton Campus for Advanced Materials Technologies. Develop a manufacturing campus by focusing on the development of composite materials applications.

- Establish a materials focused product development center and business accelerator
- CityWide Development to participate on an Advisory Board to attract new technologies and businesses
- Identify new graduation space for tenants by utilizing former Delphi space and other nearby properties
- Work with partners to market the facility and space

4.2.1.4 Airport. Leverage this site’s air and interstate access to as well as being a Foreign Trade Zone to attract office, advanced materials & manufacturing, hospitality, logistics, and distribution businesses.

- Market the advantages of doing business within a FTZ.
- Attract job intensive office, transportation, logistics, and light

manufacturing users to the development-ready 265-acres at Logistics Park.

- Extend infrastructure to additional 250 acres that are adjacent to Logistics Park.
- Implement the reuse plan for the former Emery/UPS facility.
- Provide direct road access between Logistics Park and the interstate.

4.2.1.5 Elizabeth Place. This former hospital has been reutilized as a center that focuses and houses Health Care businesses as tenants. Only 200,000 Square Feet remain available in this 1,000,000 square foot facility. The City will look to assemble adjacent properties to help facilitate future growth.

4.2.2 Other Development Site Opportunities

4.2.2.1 McGregor Park. This former golf course was redeveloped by DPL as a 100-acre office park. Located immediately off of the US35 Expressway at Woodman Drive, this location could provide defense contractors with an attractive office park location near WPAFB & I-675.

4.2.2.2 McCook Park/Parkside. Located adjacent to I-75 and the Route 4 Expressway, this 120-acre site could be made available to businesses that are interested in Interstate access and visibility. Moreover, this location could reinforce efforts to build and maintain a critical mass of business support functions necessary for downtown and Tech Town developments.

4.2.2.3 Research Park. A recent collaboration between the Miami Valley Research Park, the City of Kettering, the City of Dayton, and CityWide Development identified a 50-acre site inside the City of Dayton that could be developed and marketed as a part of the Miami Valley Research Park.

4.2.2.4 McCalls/Westview. This former brown-field site in the near westside of the City offers 35-acres for development.

4.2.2.5 Northwest Industrial Park. Nearly 1500 acres are available in the Northwest Industrial Park located on the City's far northwest quadrant.

4.2.3 Downtown. Downtown Dayton is the region's largest business center. It is home to more than 26,000 workers and 800 businesses, and it encompasses nearly 4.8M square feet of office space. Safe guarding and growing this job base is critically important to the City and to the Region. The City will continue to improve the downtown environment by:

- collaborating with adjacent business districts and neighborhoods
- creating new product and finding new uses for older product
- developing new market rate housing units, adding to its base of amenities
- creating space that is attractive to business needs
- leveraging the assets and developments in the broader regional core

4.2.3.1 Collaboration. Collaborate with Adjacent Neighborhoods and Business

Districts. Establish a process to determine the appropriate structure necessary to integrate and encourage collaboration among the various sectors of a broader regional center.

4.2.3.2 New Product and Reuse. Create new building product that is more aligned with the demands of today's marketplace by providing:

- large horizontal floor-plates
- close-in parking and other amenities

Find reuses for older more obsolete office buildings that can be transformed into non-traditional reuses.

4.2.3.3 Housing. Create 2,000 new market rate housing units in the greater downtown area by 2015. See opportunities for adaptive reuse of underutilized buildings that are most suitable for housing uses. Strategically determine best-suited locations for new housing construction.

4.2.3.4 Downtown Office Space. Diversify and upgrade downtown's available office space options. Work with community partners to develop strategic shovel-ready sites for potential development.

4.2.3.5 Downtown Jobs. Adopt the findings of the Downtown Dayton Partnership's Jobs Committee. The DDP initiated a Jobs Committee to identify key obstacles and challenges to growing downtown's job base. Committee recommendations will be presented in January, 2007.

4.3 Brand and Market Dayton internally, to the region, and to the rest of the world

Regional economic development partners are in the process of creating and implementing a significant marketing and branding initiative. The City will work with its regional partners to develop a communication and marketing plan that is in sync with regional marketing efforts and project the image that the City wants to convey to the global community. Moreover, it is imperative that the branding and communication strategies promote the initiatives set forth in CitiPlan 2020.

Brand Dayton as:

- As a City that is eager to collaborate and partner with business
- As a world class technology center with a focus in Advanced Materials, Data Management, and Aero Medical Research
- As a livable City that appeals to all people

Beyond branding Dayton to the world, the communication strategy must also include an internal campaign that communicates our message to our citizens in the City and throughout the region.

4.4 Establish a Pro-Business Environment

While the City has little ability to impact external economic factors such as urban sprawl, the impacts of the global economy on manufacturing, or natural amenities and weather; the City does have the ability to provide a preeminent public service delivery system to its business customers.

To that end, the City and its community partners will support the productivity and profitability of its current business base by means of creating a pro-business and collaborative environment. The success of this initiative will largely depend upon the City's ability to provide a level of business services that surpasses other communities both regionally and nationally. The ultimate goal is to create a national reputation that businesses will recognize as a reason to stay or relocate to Dayton.

4.4.1 Become recognized as the most "Business Friendly" City in the U.S.

- Realign resources at the City of Dayton and at CityWide Development to better service a faster paced business environment.
 - ◇ Streamline approval processes
 - ◇ Institute a "can do" attitude
- Establish a retention & expansion oriented culture by engaging all departments of the City of Dayton, CityWide Development Corporation and other economic development partners into the retention and expansion strategy.
- Implement a "first touch principle". Delegate responsibility and accountability to employees with customers/businesses. Designated personnel will be responsible to track and make sure that customer's needs or requests are followed through the entire process.

4.4.2 Industry Liaison's

The creation of "industry liaisons", staff that is assigned to become intimately involved with a particular cluster, will allow for significant participation within each of the identified industry clusters. Industry Liaisons, with the support of a Technology Advisory Collaborative, will support key industry clusters and will proactively engage with local industry leaders to become more involved and participate at earlier stages of the decision-making processes. Additionally, a Technology Advisory Collaborative will be created to guide "Industry Liaisons" to areas of opportunity and to provide necessary technical support that will help to evaluate prospects.

(See Diagram 5 to view the layout for the Technical Advisory Collaborative)

SECOND TIER: The "Second Tier" initiatives focus on objectives and strategies specifically designed to support and grow both individual businesses and targeted industry clusters. These efforts are meant to be integrated with the pyramid's first tier base.

SUPPORT & GROW

4.5 Support and Grow Existing Businesses.

Nationally, more than 80% of new job growth comes from retaining and expanding existing small businesses. In an effort to retain and grow existing businesses, Dayton will:

4.5.1 Develop better relationships with our business customers so that we can better understand their needs and issues.

- Retention & Expansion visits.
- Work with the Dayton Area Chamber of Commerce to engage “business peers” in the business retention and expansion visitation program.
- Maintain a systematic & coordinated retention and expansion approach (Business First Program) among the City of Dayton, Downtown Dayton Partnership, CityWide Development Corporation, Montgomery County, Dayton Area Chamber of Commerce, and Dayton Development Coalition.
 - Generate a monthly report to be sent out to each organization in order to update them on R&E efforts.
- (Integrate with strategies identified in sections 4.4.1 and 4.4.2)

4.5.2 Work with existing businesses to adopt new technologies and to identify new markets.

- Provide a technical outreach program to existing manufacturing businesses (specifically tooling and machining businesses) as a collaboration between the DTMA (Dayton Tooling & Manufacturing Association) and the DCAMT (Dayton Campus for Advanced Materials Technologies)
- Link area businesses to regional technology initiatives
 - As a part of the City’s retention and expansion efforts, the City’s “Industry Liaisons” (see Diagram 5) will provide two-way communication between existing businesses and regional technology efforts. Examples might include linking:
 - Medical device and protective systems manufacturers to appropriate Aero Medical, Sensors, & Advanced Materials initiatives
 - Retailers, logistics, and health care delivery businesses to RFID (Radio Frequency Identification) initiatives
 - Tooling & Machining businesses to new processes and materials through the National Composite Center, EMTEC, University of Dayton Research Institute, and the Dayton Campus for Advanced Materials Technologies

4.6 Support and Grow Key Industry Clusters

Strong and competitive business clusters are a critical component of a good business environment and are the driving force behind regional innovation and productivity. In order for a region to achieve and sustain competitive advantage, each region must craft a distinctive approach based on its unique competencies, assets, and relative strengths. Ultimately, regional strategies must promote competencies that are valued in the global marketplace. Examples of the Clustering approach in action are the life-sciences cluster in San Diego, the polymer cluster in northeast Ohio, and California’s wine growing cluster.

Likewise, the Dayton region has developed a strategic industry assessment and a cohesive economic plan that focuses on five key industry sectors. The City will participate in those regional clustering efforts by cultivating secondary clustering strategies that are in sync with regional initiatives and yet recognize unique opportunities within the City.

Dayton's key industry cluster opportunities are:

- Advanced Materials & Manufacturing
- Aerospace & Aerospace Medicine
- Data Management & Sensors Technologies
- Health Care Services Jobs
- Heritage, Cultural, & Recreational Tourism

Each industry cluster constitutes significant opportunities for the City to capture new jobs over the next twenty years. The tactical strategies emphasize better understanding and collaboration among City, industry, and academic leaders. Through early and ongoing collaboration, the City will proactively influence outcomes by building relationships & participation early rather than later in the decision-making process.

"Geographic concentrations of interconnected companies, specialized suppliers, service providers and associated institutions in a particular field that are present in a region. Such clusters are central to survival in the wake of an uncertain global economy."

Dr. Michael E. Porter

Harvard University

*Institute for Strategy &
Competitiveness*

This Support Key Industry Cluster strategy is wholly integrated into the broader Asset-Based Development Pyramid and can only be accomplished by implementing all of the recommendations identified in diagram 4. Diagram 4 shows how each of the eight recommendations is intended to be mutually supportive and synergistic with each other

Diagram 4: Eight General Recommendations

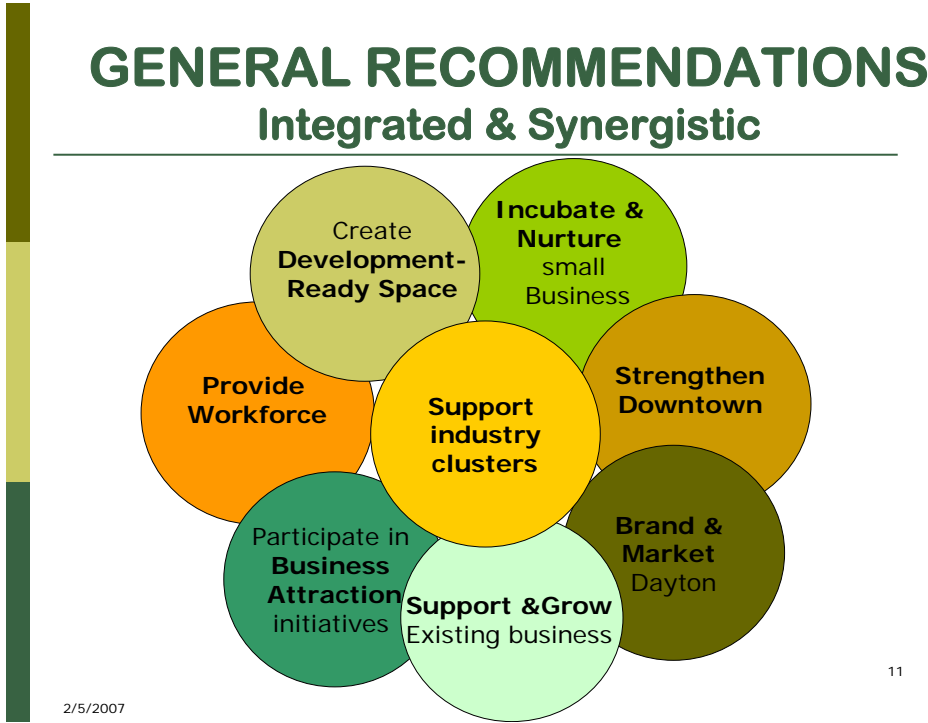
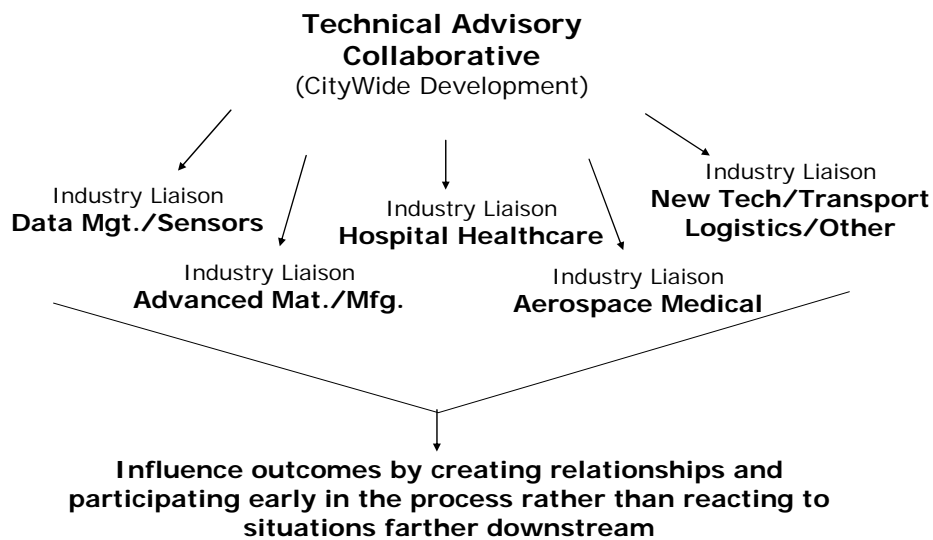


Diagram 5: Coordinate a team of Industry Liaisons, who with the support of a Technology Advisory Collaborative will support key industry clusters.

“Industry liaisons” will actively engage with local industry leaders so that they can participate at earlier stages of the decision-making processes. Additionally, a Technology Advisory Collaborative will be created to guide “industry liaisons” to areas of opportunity and to provide necessary technical support that will help to evaluate prospects and lessen initial risks.

SUPPORT KEY INDUSTRY CLUSTERS



4.6.1 Advanced Materials & Manufacturing

Dayton is a center for the design and development of products made from advanced materials. Dayton also has a long-standing reputation as a center for the design and manufacture of specialty tools and parts. By leveraging these two competencies, Dayton will support its existing manufacturing base while becoming a global leader in the design, engineering, commercialization and manufacture of new materials and processes.

(Further industry information and key findings from the Advanced Materials & Manufacturing Subcommittee can be found in section 7: The Appendix.)

4.6.1.1 The City will participate in the regional effort to grow jobs in Advanced Manufacturing & Materials by accomplishing the following:

- Stake Our Claim as the Premier “Product Development Center for

Advanced Materials Technology”. Dayton is the center for design, development, and manufacture of products made from advanced materials.

- Work with local industry entities to get validation, common understanding, and buy-in.
- Work with regional partners to “brand Dayton” for the purposes of attracting talent, companies, & capital. Suggested tag line might be something to the effect of the following: “Dayton...turning materials technology into business”

4.6.1.2 Support tech transfer & commercialization.

- Promote Tech Town & the Dayton Campus for Advanced Materials Technologies as product development and commercialization centers for technologies that have moved beyond the discovery phase and are well positioned for market applications.
- Develop areas close to Tech Town and the Dayton Campus for Advanced Materials Technologies that could support manufacturing activity growing out of product development and commercialization phases. The linkage of technology producers to companies that implement that technology is critical and close proximity will be important.
- Partner with the National Composite Center (NCC) and EMTEC to provide technical outreach to manufacturers that are located in the City
- Advocate for a regional technology transfer corporation as recommended by the George Henry George Study (this is a long term strategy and implementation wouldn't begin until 2012).
- Establish a process to encourage movement from discovery, to development, & then to commercialization. The newly developed ESP program will be critical to moving this initiative forward.

4.6.1.3 Grow Research & Development jobs at the University of Dayton Research Institute (UDRI), Tech Town, Dayton Campus for Advanced Materials Technologies and other locations inside the City.

- Partner with University of Dayton Research Institute (UDRI) to identify and provide support necessary to grow their research and development efforts
- Continue to work with the Dayton Campus for Advanced Materials Technologies to grow their research base inside the City
- Work with Wright State University, Central State University and other academic institutions to locate research and development facilities in the City.

- 4.6.1.4 Provide the workforce necessary to attract, maintain, and grow the Advanced Materials/Manufacturing industry in Dayton. (Note: this initiative is a subset of 4.1)
- Engage the entire chain of potential workers by starting with elementary school and moving on to high school, to junior college, to college, to graduate school, and to retraining.
- 4.6.2 Data Management & Sensor Technologies
- The Dayton area has an opportunity to become an international center for research, development, and the commercialization of sensor technologies, data acquisition, management, analysis, and delivery technologies. Specific regional strengths exist in the following areas:
- The intersect between sensor technologies, data mining, and human factors (specifically in Aero Medicine);
 - Radio Frequency Identification (RFID)
 - Data management
- The State and regional economic development entities are already developing and implementing strategies toward these initiatives. The City of Dayton will engage in these efforts by identifying specific opportunities where they can be involved.
- 4.6.2.1 Participate in, support, and benefit from the regional initiative to make Dayton a world class center for data management and sensors technology/Radio Frequency Identification (RFID) development.
- Develop a close working relationship with DaytaOhio, Wright State University, Greater Dayton Information Technology Association (GDITA), and other regional entities that are focused on this initiative. Identify collaborations that will benefit Dayton.
 - Build and support the hard and soft infrastructure that is attractive to this industry.
 - Leverage Tech Town as a place for research, development, and commercialization
- 4.6.2.2 Nurture, grow, & commercialize data management and sensor businesses and technologies in the City
- Provide access to entrepreneurial support for training, networking opportunities, & access to capital. (Link with the innovate and incubate initiative (see 4.8)).
 - Work with the University of Dayton Research Institute and WPAFB to locate IDCAST in Dayton
 - Leverage IDCAST to attract other sensor related businesses and research entities
 - Grow commercial enterprises emanating from IDCAST collaboration

- Focus on the intersect between sensor technologies, data mining, and aero med/EDGE medicine initiatives

4.6.2.3 Nurture, grow, & commercialize RFID technologies and businesses

- Link with the innovate and incubate initiative (see 4.8)
- Work with regional partners to identify more specific niche focus areas such as:
 - Intersects with broader sensor technologies efforts
 - Look for intersects with nano-materials initiatives in advanced materials
 - i.e. Embedding processes to solve tough “tagging” issues
- Establish an RFID-focused incubator in TechTown

4.6.3 Aerospace & Aerospace Medicine

Many defense contractors have and will continue to operate offices in and around WPAFB. The City will proactively search for opportunities to attract these operations inside the City by establishing a taskforce headed by our business leaders to attract AeroMed businesses.

Additionally, the region is working with WPAFB and others to implement and leverage the BRAC directive to relocate the USAF Aero Medical division to WPAFB. Early estimates indicate that as many as 4,000 highly skilled researchers and medically proficient workers with advanced degrees may relocate to the Dayton region. The City will need to find ways to support and participate in these efforts.

4.6.3.1 Attract defense contractors to locations inside the City.

- Promote “Hub Zone” opportunities to smaller defense contractors
- Integrate defense contractor attraction initiatives into the Tech Town strategy
- Identify other City sites that may be especially attractive to defense contractors
 - McGregor Park
 - McCook/Parkside & other possible locations

4.6.3.2 Attract a significant portion of the jobs that will be generated to the Dayton area as a part of the BRAC Aerospace Medical directive to locations in the City.

- Identify potential sub-contractors and other support businesses that may relocate to Dayton from San Antonio, Pensacola, and other locations
- Identify opportunities to link and capture aero medical and disaster preparedness/EDGE medicine initiatives in the City.

- Investigate economic impact potential for the proposed “Calamityville” initiative

4.6.4 Health Care Service Jobs

Health Services jobs are essential to the City’s economic vitality. The industry employs more than 21,000 workers, it is the city’s largest employer, and it creates wealth inside the city by exporting services to individuals who live both inside and outside the city.

The City must attend to the needs and changes occurring in this industry so as to maintain and hopefully grow its regional preeminence. Many of the existing jobs are at risk of being relocated to suburban locations, but a well orchestrated strategy could offset and reverse many of the existing threats. Health care is a high growth industry that if properly nurtured will grow new jobs over the next twenty years.

(Further industry information and key findings from the Health Care Jobs Subcommittee can be found in section 7: The Appendix.)

The City will maintain and grow its HealthCare Service jobs by accomplishing the following:

- 4.6.4.1 Develop a comprehensive and proactive master plan and real estate strategy that focuses on properties surrounding large medical complexes such as Miami Valley Hospital, Good Sam Hospital, Grandview Hospital, Children’s Hospital, Community Blood Center, Veterans Affairs Medical Center, and Children’s Hospital, and Elizabeth Place to ease the way for future medical facility expansion needs and other commercial development opportunities.
 - Develop market-based real estate plans for the areas surrounding or located near Miami Valley Hospital, Good Samaritan, Grandview, Veterans Affairs Center, and Children’s Hospitals.
 - Use the real estate plans as a basis to assemble properties and create development-ready sites adjacent to large medical complexes so that expansion can easily be accommodated in a timely manner.
 - Make space available to meet expansion needs required for CareSource by 2008
 - Identify specific sites near the outer edges of the City’s corporate limits that could be made available to attract and capture some of the growth associated with a growing outpatient community based health care delivery system.
 - Understanding the inevitability that some components of the community based health care delivery system will continue to relocate to growing population centers outside Dayton, the City should look for opportunities to create Joint Economic Development (JEDD) agreements with outlying townships in an attempt to capture some of that growth.
 - Investigate opportunities with Children’s Hospital to locate their “south suburbs” facility inside the “Miami Township- City of Dayton JEDD”

- Use the Phoenix and Genesis projects as models to grow secondary markets around large medical institutions.
 - Suite hotels, Restaurants, Medical offices etc.
- 4.6.4.2 Create a strategy to attract and keep administrative, research, and other ancillary medical office functions in downtown.
- 4.6.4.3 Ensure that medical facilities that are currently located in the City are able to attract an adequate supply of physicians and nurses.
- Develop a strategy to attract and keep physicians and nurses at medical facilities that are located in the City.
 - Advocate for greater community support for the Wright State University School of Medicine so that it competes favorably for State funding.
 - Work with area educators to ensure that the City provides a workforce that is adequately skilled in the areas of “medical technology”.
- 4.6.4.4 Influence outcomes by building relationships with leading health care delivery employers so that City participation occurs early rather than later in the decision-making process.
- Realign the City’s economic development efforts to ensure that the City has appropriate staff and expertise needed to:
 - Build trust and relationships at various levels (departmental, Board, & physician levels) within hospitals and other health care delivery employers so that the City is aware of relocation, expansion, and other opportunities.
 - Work with industry leaders to:
 - Understand the specific issues and needs of the industry.
 - Partner with entities to advocate for State and Federal funding
 - Identify new opportunities for job growth within the industry.
- 4.6.4.5 Relieve the financial pressures of uncompensated care which causes an unfair competitive disadvantage to urban medical facilities
- Advocate and support recommendations from the Uncompensated Care Task Force which is being conducted by the Central Health District and the Greater Dayton Area Hospital Association.
 - Support efforts to provide ongoing preventative health services and to redirect patients away from emergency rooms
 - Work with Wright State University School of Medicine and other partners to provide alternatives to uncompensated care patients who use emergency rooms as primary care centers

- Dayton Community Family Practice Residency Program
- Cassano and Hopeland models
- Support the efforts of the “Homeless Solutions” Committee to place medical clinics inside homeless shelters and thereby reduce the impact on urban emergency centers.

4.6.4.6 Stabilize and grow the job base at the Dayton Veterans Affairs Center.

- Implement the strategies recommended in the VA Campus Plan.

4.6.5 Heritage, Cultural, & Recreational Tourism

The City of Dayton and the region have a wealth of heritage, cultural, and recreational opportunities for a city of our size. Not only are these a benefit for the residents of the community, but also for tourists. The National Museum of the Air Force draws 1.3 million visitors and the National Aviation Heritage Park draws 250,000 visitors a year alone. Paired with numerous other sites and cultural and recreational events our tourism number reaches approximately 1.75 million per year. More importantly, surveys show that 82% of visitors come from outside the Dayton area.

The City has an opportunity to capture tourism dollars to help boost our economy. There is an untapped resource in Heritage Tourism through spin-off spending (hotels, restaurants, etc.) and jobs while at the same time, enhancing our image to the world. Aviation Heritage Foundation is working on a management plan that states that we could attract 7M visitors to the area with improved tourist destinations and marketing plan. The goal for the City of Dayton is to attract 3 million visitors and increase the percentage that stay overnight from 1% to 25%. Obtaining this number would mean approximately three thousand new jobs to the City.

The following are initial steps:

- Develop a heritage corridor strategy that links the Veterans Affairs Campus, Wright Dunbar Village, and other heritage sites.
- Use the findings from the Economic Impact Study that is being conducted through a Preserve America grant as a basis of collaboration to promote and package Dayton as a center for Heritage, Cultural, & Recreational Tourism.
- Work with the National Park Service, Aviation Heritage Foundation, Dayton History, Chamber of Commerce and the Convention and Visitors Bureau to package heritage, cultural and recreational events with hotel and restaurants for both the in town and out of town patrons.

4.7 Business attraction initiatives

4.7.1 Support, Participate, & Benefit in Regional Business Attraction Efforts

The City's regional economic development partners have instituted a sophisticated business attraction program that targets companies in specific industry clusters. The City will support, participate, and benefit from these efforts by:

- proactively inserting itself into these efforts;
- responding quickly to business requests;
- implementing its "Create Development-Ready Space" and "Support Key Industry Clusters" initiatives;
- Working to create Joint Economic Development Districts that will benefit all parties.

4.7.2 Attract International Investment

Dayton will establish and implement strategies to attract international investment. Examples of successful initiatives can be found in Miami County, Akron, Cleveland etc. The State of Ohio Department of Development will be a key partner in this initiative.

THIRD TIER:

4.8 Incubate & Nurture New and Small Businesses.

Dayton will provide the support network necessary to establish & grow more new businesses per capita than any other city in the U.S.

- Establish an entrepreneurial manager position to guide entrepreneurs to appropriate resources and support services. The Entrepreneurial Development Network will be a key partner in this effort.
 - City/CityWide Development will participate in the Entrepreneurial Development Network (at the Board Level) to ensure that entrepreneurial services are available and delivered to small and startup businesses.
- Work with regional partners to ensure that adequate investment capital is made available to assist entrepreneurs to commercialize promising new technologies and businesses. The new Entrepreneurial Signature Program will be a key partner in this initiative.
 - Mezzanine Fund
 - Venture Capital
 - Traditional Funding
- Promote and support The Entrepreneurial Center (TEC) and establish additional industry-focused incubators, product development centers, and business accelerators.

5. Next Steps & First Priorities

This document covers a wide range of actions items and plans for future growth and development within the City of Dayton. Because of this, it is critical that certain objectives be focused on immediately. These items are either time-sensitive or are critical to the initial success of this plan.

- Develop the Dayton Campus for Advanced Materials Technologies
- Continue to develop TechTown
- Establish an RFID focused incubator at Tech Town
- Work with UD Research Institute and WPAFB to locate IDCAS in Dayton
- City/CityWide and other ED partners to realign economic development resource to better service a much faster paced business environment becoming the most business friendly city in the US.
- Investigate AeroMed opportunities for the City
- Facilitate strategic vision and plan for Downtown
- Brand and Market Dayton

“Insanity: doing the same thing over and over again and expecting different results.”

Albert Einstein

6. Action Plan

The Economic Development Component of CitiPlan 2020: Focus 2010 and Beyond, was written as a general guide for future actions proposed to help bolster and grow a new economic base within the City of Dayton. Successful implementation of this plan is predicated on vigorous engagement from multiple partners including: the City of Dayton, CityWide Development Corporations, Downtown Dayton Partnership, Greater Dayton Area Chamber of Commerce, Montgomery County, and others. The attached Action Plan more specifically outlines these action items, as well as responsibilities, timelines, and benchmark measurements.

CityWide Development Corporation will meet and recruit potential partners to actively support and participate in making this plan a reality. CityWide will also be responsible for monitoring progress until the plan's completion.

7. The Appendix

Key Findings from the Advanced Materials Subcommittee indicate that:

- 1) Many existing manufacturers might find competitive advantages by gaining better access to the City's research and product development facilities. The range of potential opportunities should not be limited to "materials companies" but should include all manufacturers especially those in Tooling & Machining, Medical Device, Information Technology, Aerospace, and Transportation.
- 2) Advanced materials/manufacturing is a rapidly growing industry that is still in an embryonic stage of development.
- 3) The region's materials competency is focused in the areas of nano-material research and composite manufacturing but other niche opportunities may be emerging. The region is in the process of better defining a more specific definition of the area's expertise and opportunities.
- 4) The Dayton area is adept at conducting research through the discovery and development phases but struggles when product advancement reaches the commercialization phase. Consequently, most of the basic research that is conducted in Dayton is commercialized outside the region. Communication links need to be developed between all three phases (discovery through commercialization) so that potential customers and business needs can be included as a part of the ideation or discovery phases. Early linkages will help to identify real customers and real entrepreneurs.
- 5) Many businesses might find competitive advantages by locating their product development facilities in Dayton where they can gain better access to the region's research facilities and expert workforce. The range of potential opportunities should not be limited to "materials companies" but should include all users of materials including Tooling & Machining, Medical Device, Information Technology, Aerospace, Transportation, and other businesses. Moreover, "materials" projects might find additional advantages because so many potential customers are located within 500 miles of Dayton.
- 6) The community can help to facilitate commercialization in one of three ways:
 - attract and nurture small business entrepreneurs
 - attract the commercialization efforts of large corporations that are utilizing new materials technologies
 - linking existing businesses to specific technology development that is being developed in Dayton.
- 7) Materials R&D in and of itself may constitute a sub-industry cluster that employs thousands of well trained and high paid workers in the Dayton area.

- 8) State and Regional initiatives have identified advanced materials & manufacturing as a strategic opportunity and are allocating resources toward its fulfillment. Through the Third Frontier Program, the State is allocating more than \$1.6B to support world class research, commercialization, and training. The City must capitalize on these initiatives by finding ways to participate in these efforts.

Key Findings from the Health Care Jobs Subcommittee indicate that:

- 1) Nationally and locally, a more comprehensive outpatient community health care delivery system coupled with ever increasing costs for uncompensated care and competition from suburban medical centers is forcing many urban hospitals, to merge, consolidate, and in some cases close.
- 2) Significant hospital procedures and health care delivery services are being decentralized from large urban medical centers to outpatient clinics and satellite hospitals that are by and large located in suburban and exurban locations. For example:
 - Specialized labs, clinics, and other ancillary uses that have traditionally been components of large urban medical centers are establishing new stand alone facilities that are located closer to their “paying” customers.
 - Large physician groups are purchasing specialized equipment that was previously affordable only to hospitals and are providing outpatient procedures such as endoscopies, ENT, and orthopedics. These “mini-hospitals” effectively “skim” profits from more traditional hospital settings by providing only the most lucrative procedures.
 - Primary care, dental, and other medical offices are leaving traditional medical centers for more retail-like settings, including big box retailers such as Wal-Mart.
- 3) Urban hospitals are further handicapped by an increasing number of uninsured patients who tend to be more concentrated in urban areas. Consequently, urban hospitals incur disproportionate costs associated with caring for uncompensated patients than do their suburban counterparts. This phenomenon is even more pronounced in Dayton where there isn't a sufficiently funded “community hospital” or human services levy. The City's urban hospitals estimate that their annual uncompensated care costs are almost \$100,000,000.
- 4) Urban medical centers are facing additional economic pressures from growing suburban medical facilities that are located closer to most regional households.
- 5) Health care delivery systems are creating new opportunities for job growth in areas such as managed health care, tissue services, and other ancillary services. Supplementary health care delivery services are projected to add more than 1,000 jobs in Dayton by 2010.

6) The area's two primary hospital networks are consolidating specialty services into specific hospitals within their individual networks. i.e. heart, maternity, geriatrics etc.

7) Future generations of hospital leadership may not have the same allegiances that previous leaders have had toward the City.

8) There is a growing influence of physician based affiliations (i.e. Prime Med) that are influencing the local health care delivery decision making process.