

# STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



NACo WHY COUNTIES MATTER PAPER SERIES • ISSUE 1 • July 2014 • [www.naco.org](http://www.naco.org)

## FRANKLIN COUNTY, OHIO

### Working Smart for Economic Growth



Franklin County, Ohio enjoys a strong economy and an educated labor force. A large county in central Ohio, the county contains the state capital Columbus, 11 other cities, 17 townships and 12 villages. Thirty-six (36) percent of county residents 25 years and older have a Bachelor's degree or higher, well above the state average of 25 percent, reflecting the presence of the Ohio State University (OSU) in the county. The highly-skilled labor force fuels high value-added industries in the county, such as professional and business services, education and health services and financial activities. As a result, the county unemployment rate was 4.3 percent, one full percentage point lower than the state of Ohio's rate, as of April 2014. The per capita income in the county was \$42,624 in 2012, \$2,500 higher than the Ohio average.

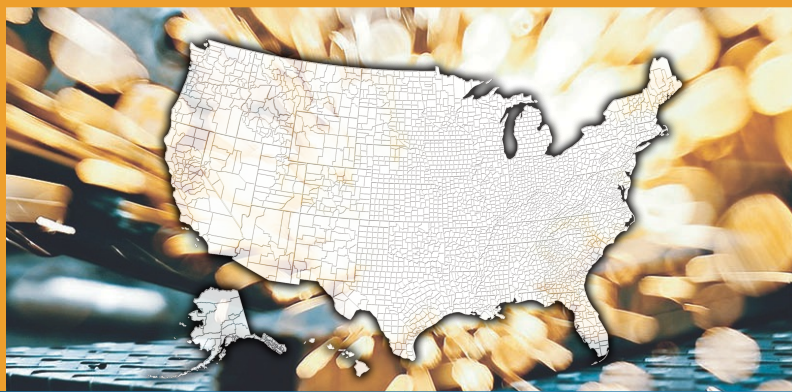
The county government focuses on economic diversification by identifying new and growing industries for all education levels and skill sets. As key economic development strategies, the county prioritizes entrepreneurship, industry diversification and workforce development. This case study offers some examples of the county initiatives in economic development, from Smart Works, the county's flagship investment program in workforce development, job creation and job retention to export promotion and foreign direct investment initiatives. To better understand how Franklin County operates in economic development, this case study explains the structure of two of the economic development organizations closely involved with the county government — the County Economic Development and Planning Department and a non-profit organization called the Economic and Community Development Institute (ECDI).

Franklin County's Economic Development and Planning Department administers programs that strengthen the economy and create jobs for residents. With the help of 24 employees, the department finds and funds innovative programs implemented by other organizations in the county. For this purpose, the department provided more than \$4.5 million in incentive grants in 2013 and requested \$2.3 million for 2014, funds coming mainly from the county sales tax. ECDI is one of the economic development organizations working with the department to identify industries that will benefit from additional support and to educate entrepreneurs in these budding industries. Founded in 2004, ECDI is a nonprofit community-based organization

- Population, 2013: 1.2 million
- County Board size: 3
- County Administrator

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with experience in lending, management and technical assistance that administers a micro-loan program for eligible borrowers. ECDI is the only U.S. Small Business Administration intermediary micro-lender serving all Ohio counties. Overall, ECDI received \$1.85 million from Franklin County through Community Development Block Grants.

## Smart Works in Franklin County

Started in 2012, Smart Works in Franklin County is the county's flagship investment program in economic development. Some of the initiatives in this program include the Workforce Innovation Training grant program, the Food Fort and the Retail Incubation Supporting Entrepreneurs (RISE).

## Retail Incubation Supporting Entrepreneurs

Another example of the county's innovative and collaborative work with ECDI is the Retail Incubation Supporting Entrepreneurs Program (RISE). Formed in 2012, RISE provides opportunities for business owners to start and grow their retail enterprise in the county. Startups in retail often have difficulty competing with larger established retail businesses. The program works to level the playing field for start-ups by providing free one-on-one technical assistance and low interest loans to purchase equipment and machinery. RISE received \$100,000 from Franklin County through the Community Development Block Grant and trained 20 individuals in the program's first year.



Retail Incubation Supporting Entrepreneurs Program (RISE) class training.

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## Workforce Innovation Training Grant Program

This part of the Smart Works program represents strategic investments in workforce training programs at companies such as Quantum Health, IBM, Sid Tool Company, MSC Industrial Supply and others. For example, this project was a key factor in IBM's decision to locate its first Client Center for Advanced Analytics in the region, a \$3.2 million private investment. The county provided a \$300,000 grant to train workers in high-skill, high-wage positions at the facility and the City of Columbus and the state offered multi-year tax credits. In the short time since its launch in 2012, this workforce training program has generated commitments of approximately 1,000 jobs and retention of hundreds of other jobs.

## Export Promotion/Foreign Direct Investment Attraction

Franklin County is also active in international economic development. The county is engaged in a partnership with the city of Columbus and the city of Hefei in Anhui Province in China to bring solutions to environmental and energy challenges facing Columbus and Hefei. In addition, the county participates in Columbus 2020, the economic development organization for the 11-county Columbus region. One of the objectives of this collaboration is the development and implementation of a regional plan to increase exports as part of the Global Cities Initiative, a joint project of Brookings Institution and J.P. Morgan Chase. In 2012, the Columbus Region was one of 12 metropolitan areas chosen to participate in the Metropolitan Export Initiative, originally part of the Brookings-Rockefeller Project on State and Metropolitan Innovation. As the Brookings project evolved into the Global Cities Initiative, the Columbus region was selected to be a part of this new exchange in late 2013. The county and its regional partners in the Global Cities Initiative committed to strong performance measures over the next few years: 150,000 net new jobs, increasing per capita income by 30 percent and attracting \$8 billion in capital investment.

## Partnership with TechColumbus

Franklin County is also a key supporter of technology-based economic development in the region. The county identified technology as a growing industry given the strong role of the Ohio State University (OSU) in the field. In 2006, the county entered into a partnership with TechColumbus, a nonprofit technology incubator and accelerator to create and expand tech companies in the area. TechColumbus serves central Ohio and connects technology startups in the area with resources, funding and business mentors. TechColumbus has an impressive record: \$12.3 million investment in technology startups that led to \$260 million in revenue for companies and 720 jobs. In 2013, for example, the county approved a \$250,000 investment in partnership with TechColumbus, providing 25 local high-tech start-ups with assistance in product development and growth strategies.



## The Food Fort

Franklin County partnered with ECDI to start a food business incubator that ultimately led to the creation of Food Fort in 2010. ECDI and Franklin County identified a growing interest in starting businesses in the food industry, but the entrepreneurship was hindered by the difficulty of accessing traditional bank loans for the high capital investment needed to start a brick and mortar restaurant. The two county partners realized that mobile food vendors or food carts would involve less capital and could quickly introduce vendors into the market. As a result, they created Food Fort that provides business loans, training in legal areas, sales assistance, technical assistance and marketing. Clients can also use a commercialized kitchen to help cook safely and meet health regulations. ECDI received a total of \$700,000 in funding from Franklin County between 2010 and 2012 for its micro-lending program, which supports Food Fort as well as other economic development initiatives. From its inception through September of 2013, Food Fort created 90 new businesses, 244 full time jobs and 165 part-time jobs.

Franklin County benefits from a strong county economy and continues to bolster this economy by investing in a variety of initiatives. The county's new Smart Works investment program has already achieved significant results for the regional economy, both in terms of jobs and additional income. For a diversified economy, the county partners with non-profit organizations such as ECDI and TechColumbus to help start-ups in food, retail and technology sectors. In addition to expanding local business opportunities, Franklin County is active in growing its international presence and in the process creating jobs at home and bring more income into the community.



*Pitabilities started with the help of resources provided by the county through Food Fort, the business incubator for mobile food vendors.*