

Economic Development Considerations for Clinton Township

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Summary and Recommendations

1. Recognize and support businesses in the key industries in each part of the township: healthcare, manufacturing, retail, and restaurants in the west, and retail, restaurants, and repair and personal services in the east.
2. Survey large and small employers in the township to determine the reasons for doing business in the township, their needs, and any barriers to their success. A series of focus groups could be an effective means of gathering this information.
3. Focus on revitalizing East Clinton in particular. Doing so would improve the wellbeing of township residents, the sales and earnings of its businesses, and the tax revenues of the Township. This includes improving social conditions including housing affordability, crime and the perception of crime, and public education. But it also includes improving the local economy through business development and enhancing economic opportunity.
4. Improving the wellbeing of East Clinton would increase economic diversity, which is a benefit. However, it might also eventually lead to gentrification in which current residents are displaced by property taxes, rents, and other housing costs becoming unaffordable. Minimize the negative impact of gentrification by preserving or enacting inclusive zoning laws and building codes and proactively encouraging affordable housing developments.
5. Assist lower-income residents in improving their properties by connecting them with MORPC's and IMPACT Community Action's no-cost weatherization services. IMPACT Community Action also offers emergency rent, mortgage, and utility bill assistance. Explore the availability of grant funding to assist homeowners in completing exterior improvements to their property.
6. Connect Housing Blocks has the potential of improving the employment of numerous East Clinton residents. Work with the company to determine their ongoing staffing and skill needs and promote these opportunities to township residents.
7. Appreciate and enhance the township's advantages rather than merely minimizing disadvantages. West Clinton benefits from its proximity to OSU and Grandview Heights and the access provided by Route 315. East Clinton's benefits include the primary Cleveland Avenue and Westerville Road arteries and robust transit access, including COTA's CMAX line.
8. Business underinvestment in East Clinton implies the possibility of unmet household demand for goods and services. Use the economic and demographic data in "Housing, Demographic, and Economic Conditions in Clinton Township, Ohio" to promote Clinton Township as a business location.

9. Engage with OSU to explore the possibility of their assistance with the revitalization of East Clinton along the lines of their work in the Weinland Park and Olde Town East neighborhoods.
10. Recognize that the only successful, sustainable revitalization efforts are those led by private, for-profit investments.
11. Facilitate the formation of neighborhood and business associations in East Clinton and strengthen the University View Civic Association. These associations can be beneficial in promoting neighborhood cohesion and obtaining grant funding. Business associations can act as clearinghouses for business information and support, can promote businesses in the area, and can potentially offer financial benefits to their members.
12. These associations should start small with an initial focus on safety. Social activities are important but should not be the sole focus of the organization. Defining the structure, enacting bylaws, and obtaining tax exempt status should be accomplished at the outset.
13. Support and foster the growth of locally owned, locally serving businesses. Many of these businesses already exist in the township. They provide economic benefits that extend both to the neighborhood and to the region by trapping the spending that would otherwise leak out to distant headquarters. They also provide their owners with the potential of far greater income than wage or salary employment.
14. The Intel development will offer far greater opportunities for Clinton Township than is perhaps appreciated. Contrary to the frequently quoted \$135,000 average annual pay, as many as one-third of direct Intel employees could earn less than \$50,000 per year, not including benefits. This implies the need for workforce housing and apartments, which Clinton Township is well-positioned to supply.
15. The educational qualifications for as many as one-half of Intel jobs include only a high school diploma and one year of training. This could be a significant opportunity for Clinton Township residents to obtain better-paying employment and improve their living standards.

Introduction

This paper discusses economic and business development in Clinton Township, and is a companion piece to “Housing, Demographic, and Economic Conditions in Clinton Township, Ohio.” As with that paper, this analysis focuses separately on the eastern and western parts of the township because of the significant differences in their demographic and economic characteristics. The paper begins with an analysis of businesses and employment in East and West Clinton to provide an overview of current business conditions.

Portions of East Clinton’s primary commercial corridors along Cleveland Avenue and Westerville Road are blighted and underdeveloped, as are some residential neighborhoods. The paper summarizes studies on best practices in neighborhood and urban revitalization and provides information on fostering neighborhood and business associations.

An important feature of the businesses in Clinton Township is that a large number are small and locally owned. The paper discusses the importance of locally owned, locally serving businesses both for the immediate community and the larger region.

Finally, the paper discusses the Intel development, which will have a consequential impact on all of Central Ohio, including Clinton Township. Understanding and preparing for this impact could positively affect the township’s development in the township over the long term.

Clinton Township Business Profile

Table 1 presents the estimated distribution of employment in East and West Clinton by primary industry sector and compares the percentage distribution to that of Franklin County. Sectors are those defined by the North American Industry Classification System (NAICS). Employment is grouped into sectors via the same approach as used by the federal government: sector employment is based on the primary activity within an establishment. For example, the entire employment of a manufacturing firm with a small retail store on premises would be listed under manufacturing.

The estimation began with a listing of all commercial and industrial properties in each part of the township from the Franklin County Auditor. Several sources identified the occupants of these properties and their employment. In many cases, Data Axle Reference Solutions supplied both the identity and industry of occupants and their employment. Data Axle lists 562,000 Ohio businesses and 70,500 in Franklin County. Unlike sources such as Dun & Bradstreet that are based on credit applications, Data Axle originates with telephone listings. Staff members contacts businesses on an ongoing basis to ensure that information is current. The resulting data are supplemented with businesses identified on Google Maps and Bing. This included inspection with Google Street View, which for primary commercial corridors in Columbus is rarely more than seven or eight months old. Finally, the results were reviewed by the Clinton Township Fire Inspector.

One facility, the Martha Morehouse Medical Plaza on Kenny Road in West Clinton, employs nearly 4,000. This accounts for 67% of West Clinton employment and nearly 58% total township employment. Accordingly, employment distributions excluding Martha Morehouse are in Table 2. West Clinton is also home to several small facilities of The Ohio State University and Scitech Campus Corporation. Separate

employment is not available for the OSU facilities, which are not large. According to the Fire Inspector, the Scitech buildings are currently vacant.

Table 1: Estimated Employment in Clinton Township

NAICS	Sector	West Clinton		East Clinton		Total township		Franklin
		Empl.	Pct.of tot.	Empl.	Pct.of tot.	Empl.	Pct.of tot.	Pct.of tot.
11	Agriculture, Forestry, Fishing and Hunting	0	0.0%	0	0.0%	0	0.0%	0.1%
21	Mining, Quarrying, and Oil & Gas Extraction	0	0.0%	0	0.0%	0	0.0%	0.0%
22	Utilities	0	0.0%	0	0.0%	0	0.0%	0.5%
23	Construction	99	1.7%	0	0.0%	99	1.4%	4.0%
31-33	Manufacturing	284	4.8%	32	3.2%	316	4.6%	5.0%
42	Wholesale Trade	179	3.0%	17	1.8%	196	2.8%	3.8%
44-45	Retail Trade	505	8.5%	306	31.5%	811	11.7%	8.6%
48-49	Transportation and Warehousing	93	1.6%	9	0.9%	102	1.5%	6.8%
51	Information	30	0.5%	13	1.3%	43	0.6%	1.8%
52	Finance and Insurance	0	0.0%	29	3.0%	29	0.4%	6.5%
53	Real Estate and Rental and Leasing	72	1.2%	7	0.7%	79	1.1%	1.7%
54	Professional, Scientific & Technical Svcs.	119	2.0%	17	1.8%	136	2.0%	6.6%
55	Management of Companies & Enterprises	0	0.0%	0	0.0%	0	0.0%	3.3%
56	Administrative and Support and Waste Services	35	0.6%	77	7.9%	112	1.6%	7.2%
61	Educational Services*	8	0.1%	0	0.0%	8	0.1%	1.5%
62	Health Care and Social Assistance	4,095	69.3%	69	6.9%	4,164	60.3%	14.8%
71	Arts, Entertainment, and Recreation	71	1.2%	22	2.3%	93	1.3%	1.2%
72	Accommodation and Food Services	233	3.9%	187	19.3%	420	6.1%	7.5%
81	Other Services	84	1.4%	137	13.7%	221	3.2%	2.8%
	Government	0	0.0%	81	8.3%	81	1.2%	16.5%
	Total	5,907	100.0%	1,003	100.0%	6,910	100.0%	100.0%

*Private educational services only.

Table 2: Estimated Employment in Clinton Township, Excluding Martha Morehouse Medical Plaza

NAICS	Sector	West Clinton		East Clinton		Total township		Franklin
		Empl.	Pct.of tot.	Empl.	Pct.of tot.	Empl.	Pct.of tot.	Pct.of tot.
11	Agriculture, Forestry, Fishing and Hunting	0	0.0%	0	0.0%	0	0.0%	0.1%
21	Mining, Quarrying, and Oil & Gas Extraction	0	0.0%	0	0.0%	0	0.0%	0.0%
22	Utilities	0	0.0%	0	0.0%	0	0.0%	0.5%
23	Construction	99	5.0%	0	0.0%	99	3.4%	4.0%
31-33	Manufacturing	284	14.5%	32	3.2%	316	10.7%	5.0%
42	Wholesale Trade	179	9.1%	17	1.8%	196	6.7%	3.8%
44-45	Retail Trade	505	25.7%	306	31.5%	811	27.7%	8.6%
48-49	Transportation and Warehousing	93	4.7%	9	0.9%	102	3.5%	6.8%
51	Information	30	1.5%	13	1.3%	43	1.5%	1.8%
52	Finance and Insurance	0	0.0%	29	3.0%	29	1.0%	6.5%
53	Real Estate and Rental and Leasing	72	3.7%	7	0.7%	79	2.7%	1.7%
54	Professional, Scientific & Technical Svcs.	119	6.1%	17	1.8%	136	4.6%	6.6%
55	Management of Companies & Enterprises	0	0.0%	0	0.0%	0	0.0%	3.3%
56	Administrative and Support and Waste Services	35	1.8%	77	7.9%	112	3.8%	7.2%
61	Educational Services*	8	0.4%	0	0.0%	8	0.3%	1.5%
62	Health Care and Social Assistance	118	6.1%	69	6.9%	187	6.4%	14.8%
71	Arts, Entertainment, and Recreation	71	3.6%	22	2.3%	93	3.2%	1.2%
72	Accommodation and Food Services	233	11.9%	187	19.3%	420	14.3%	7.5%
81	Other Services	84	4.4%	137	13.7%	221	7.5%	2.8%
	Government	0	0.0%	81	8.3%	81	2.8%	16.5%
	Total	1,930	100.0%	1,003	100.0%	2,933	100.0%	100.0%

*Private educational services only.

The important sectors of the Clinton Township economy are those with an employment concentration greater than the county average; removing the Martha Morehouse employment reveals other key sectors in both parts of the township. Because of this employment, healthcare and social assistance dominates. Offices of medical practitioners are scattered throughout the township, as are daycare centers. These are classified in the social assistance segment of the healthcare sector.

Focusing on the percentage comparisons in Table 2, retail and restaurants dominate, thanks largely to the Lennox development in West Clinton and Northern Lights and the Amos Center in East Clinton. Together, the retail and restaurant sectors account for 42% of non-Morehouse township employment, more than 2.5 times the Franklin County average.

Manufacturing supplies nearly 11% of non-Morehouse jobs. Although West Clinton's National Electric Coil's 275 positions comprise the bulk of the total, Connect Housing Blocks in East Clinton has significant potential. The firm acquired the former Value City Department Store and headquarters on Westerville Road as part of a planned \$98 million investment to produce affordable modular apartment buildings.¹ The first of these projects will be built on Maryland Avenue on the East Side. This development both places a prominent property, vacant for around 15 years, back in service and may offer a large number of well-paying jobs to East Clinton residents as well. The significant potential advantages of this development for the township are discussed below.

Another above-average concentration is in other services. This is a catch-all category that includes repair services; personal services such as beauty and nail salons, laundromats and drycleaners, and pet grooming and boarding services; religious organizations; and social, civic advocacy, business, and professional organizations. Much of the employment in West Clinton is in these last types of organizations, drawn by the area's office facilities. These include the Boy Scouts' Simon Kenton Council, the Ohio Environmental Council, and the Exterior Insulation Finishing System Members' Association. Many of the establishments in other services in East Clinton are religious organizations; these account for more than 70 jobs, about one-third of the approximately 221 jobs in the sector. The 14 vehicle-oriented services in East Clinton, including auto repair services and car washes, employ around 45.

Table 3 lists the vacant commercial spaces in each part of the township. Square footage is available for stand-alone structures only, but is estimated for the one property where the share of the total structure vacant was apparent. None of the properties was listed on commercial real estate for rent websites. The property type is that under the current County Auditor classification. The possibility certainly exists for adaptive reuse – converting warehouse space to offices, for example, or in the case of Connect Housing Blocks, converting retail to manufacturing.

¹ See B. Meibers. (2022, March 3). Former Value City HQ becoming manufacturing site for prefab affordable apartments. *Columbus Business First*. <https://www.bizjournals-com/columbus/news/2022/03/03/brad-dehays-connect-housing-blocks.html>

Table 3: Commercial Vacancies

Address	Property type	Square footage
West Clinton		
893 Chambers Road	Warehouse, 6% to 15% office	9,322
1171 Chesapeake Avenue	Industrial warehouse center	14,340
1183 Chesapeake Avenue	Commercial warehouse, more than 50% office (part)	Approx. 2,800
1513 Chesapeake Avenue	Commercial warehouse	2,760
2474 Kenny Road	Commercial garage	1,750
824-880 Kinnear Road	Warehouse, 6% to 15% office (part)	n/a
1003 Kinnear Road	Office (part)	n/a
1450 Olentangy River Road	Retail (Lennox Station, part)	n/a
1791 Olentangy River Road	Retail (Lennox Town Center, part)	n/a
East Clinton		
1841 Huy Road	Retail/apartments over-walkup	1,811
2924 Westerville Road	Small retail structure less than 10,000 square feet	3,980
3010 Westerville Road	Dwelling converted to office	Uninhabitable
3054 Westerville Road	Small retail structure less than 10,000 square feet	624
2934 Cleveland Avenue	Restaurant/cafeteria or bar	2,944
3218 Cleveland Avenue	Office building 1-2 stories	5,643
3377 Cleveland Avenue	Retail (Northern Lights, part)	n/a
3431 Cleveland Avenue, suite A	Retail (Northern Lights, part)	n/a
3441 Cleveland Avenue	Retail (Northern Lights, part)	n/a
3445 Cleveland Avenue	Retail (Northern Lights, part)	n/a
3451 Cleveland Avenue	Retail (Northern Lights, part)	n/a
3549 Cleveland Avenue	Retail (Northern Lights, part)	n/a
3600 Cleveland Avenue	Other commercial structure	896
3768 Cleveland Avenue	Dwelling converted to retail	1,262
3622 Brandon Street	Commercial warehouse	3,740

Urban Revitalization

Issues in Urban Revitalization

As discussed in the earlier Clinton Township paper, the township's housing stock is older than average and, at least in East Clinton, valued far below the regional average. At the same time, East Clinton's primary commercial corridors, Cleveland Avenue and Westerville Road, suffer from underdevelopment, underinvestment, and blight.

In contrast, the housing stock and commercial development in West Clinton benefit from proximity to The Ohio State University and Grandview Heights. Despite the small size of the detached housing, the typical home is valued by the Franklin County Auditor at more than \$211,000. A majority of West Clinton dwellings are in multi-unit complexes, appealing to students and young professionals.

A focus on revitalizing East Clinton in particular would improve the wellbeing of township residents, the sales and earnings of its businesses, and the tax revenues of the Township. Harvard University's Michael Porter is an economic development expert who has consulted with the Columbus Partnership. Porter argues that revitalization requires improving social conditions, including housing affordability, crime and the perception of crime, and public education. But revitalization also requires improving the local

economy through business development and enhancing economic opportunity. Porter presented five premises leading to successful urban revitalization.² Although these are geared primarily toward central city redevelopment, they are also relevant for the revitalization of Clinton Township.

The first premise is to increase residents' income and wealth through jobs and economic opportunities. This will increase economic diversity. A diversity of incomes within a neighborhood gives the lower-income residents role models and motivation to improve themselves. Overall economic wellbeing improves as a result. Increasing economic diversity is a particular need in Columbus: a 2015 University of Toronto study ranked large and small metros by their degree of economic segregation. Columbus is much more segregated than average – in its degree of overall economic segregation, second only to Austin-Round Rock, Texas.³

The risk is that the improved wellbeing of the neighborhood will eventually lead to gentrification in which current residents are displaced by property taxes, rents, and other housing costs becoming unaffordable. But gentrification is not inevitable; strategies exist to mitigate its impacts while enhancing property values and property tax revenues.⁴ One strategy is to preserve or enact inclusive zoning laws and building codes. Low-density zoning laws that permit only detached single-unit houses and prohibit duplexes and larger apartment buildings increase costs, as do minimum lot sizes, minimum home square footage, and requirements for high-cost building materials. For example, Minneapolis changed its zoning law, which formerly limited nearly three-quarters of the city to detached housing, to permit duplexes and triplexes anywhere in the city. The Columbus Zoning Code is currently under review.

Some lower-income residents lack the resources to bring their houses up to code or install energy-saving improvements such as insulation or double-pane windows. MORPC and IMPACT Community Action offer weatherization services at no cost to income-eligible households. IMPACT Community Action also offers emergency rent, mortgage, and utility bill assistance to those who qualify. Obtaining grant funding to assist homeowners in completing exterior improvements would improve the attractiveness of the neighborhood and increase property values.

Beyond these measures, governments can proactively encourage affordable housing developments. This can include requiring that new or rehabilitated rental apartment complexes include a percentage of affordable units and seeking out new affordable developments. Developers argue – with justification – that they cannot develop affordable units and make a profit. But costs can be reduced through federal and local property tax incentives and below-market financing.⁵

Some jurisdictions, such as Oakland, California, have enacted a fee on vacant housing units – in Oakland's case, \$3,000 to \$6,000 annually. The point is to discourage investors from buying up properties and holding them for speculation. This increases the number of housing units on the market,

² M.E. Porter (2016). Inner-city economic development: Learnings from 20 years of research and practice. *Economic Development Quarterly*, 30(2), 105-116.

³ R. Florida and C. Mellander (2015). *Segregated city: The geography of economic segregation in America's metros*. Martin Prosperity Institute, Rotman School of Management, University of Toronto. <https://www-2.rotman.utoronto.ca/mpi/wp-content/uploads/2015/02/Segregated-City.pdf>

⁴ M. Williams (2020, September 15). Gentrification doesn't have to force minority residents out of their homes. Activists say there are 3 ways to protect communities. *Business Insider*.

⁵ Disclosure: I serve on the board of the Affordable Housing Trust for Columbus and Franklin County, which supplies these below-market affordable housing development loans.

increasing the supply and reducing the cost. It is not clear that this is permitted under Ohio law but it is a possibility worth exploring.

Porter's second redevelopment premise is to bring in jobs, allowing residents easier access to those jobs. The Connect Housing Blocks project is doing exactly that. The company's founder, Brad DeHays, hopes to hire about 400 employees. Developments such as this tend to attract a disproportionate number of workers from nearby neighborhoods. As part of a 2020 study on the economics of tax incentives,⁶ the author focused on the Rogue Fitness development, which brought more than 1,000 jobs to the economically challenged Milo-Grogan neighborhood of Columbus. Although the facility attracts workers from throughout the metropolitan area and beyond, three times as many employed Columbus residents as would be expected live in the plant's 43201 ZIP code.

Porter's third and fourth premises are related. The third is to develop economic development strategies that are tailored to the neighborhood's unique circumstances rather than generic regional strategies. The fourth is that leaders need to focus on enhancing local advantages, not just minimizing disadvantages. A key advantage for Clinton Township is transportation access. West Clinton benefits from its proximity to State Route 315. East Clinton has the primary Cleveland Avenue and Westerville Road arteries and is well-served by transit. This includes COTA's CMAX line, connecting the Cleveland Avenue area to Polaris, Columbus State Community College, and downtown Columbus. This access opens the businesses along these corridors to a large potential market and provides easy access for residents to employment, shopping, education, and entertainment. It is important to ensure that parking for these businesses is convenient. While parking is no concern for shopping center businesses, it may be for businesses elsewhere. The township should ascertain whether this is a problem, and if so, it may want to finance one or more parking lots.

The commercial underinvestment in East Clinton implies the potential of unmet household demand for goods and services. The economic and demographic analysis presented in the earlier companion study can be used to document to potential developers and businesses the economic potential of the customer base – which includes nearby areas of Columbus. Another advantage is that of an underutilized workforce, which may have been a significant part of the draw for Connect Housing Blocks.

Porter emphasized the impact of anchor institutions in economic revitalization. Anchors are large institutions, usually nonprofit or government, that have an established presence and substantial impact on the community. Because their fortunes are tied to those of the community, anchor institutions can often be strongly invested in the community's development and wellbeing. The obvious anchor for West Clinton in particular is The Ohio State University. OSU's proximity brings residents and shoppers to West Clinton, decreasing vacancies and supporting businesses.

OSU took a much more direct role in revitalizing the troubled Weinland Park neighborhood southeast of campus, investing millions in enhancing infrastructure and becoming actively involved in neighborhood schools. OSU has also taken a role in the revitalization of the Near East Side after acquiring the former Park Medical Center in 1999. OSU has a much more vested interest in both neighborhoods, but it is conceivable that the Township's relationship with the University could be leveraged to encourage involvement in revitalizing East Clinton. At a minimum, OSU could be encouraged to focus on the undeveloped property along Kenny Road to the north of Lane Avenue.

⁶ B. LaFayette (2020). Analysis of the costs and benefits of property tax incentives.

Porter's fifth and final premise is that the private sector must lead revitalization efforts with private, for-profit investments. Public subsidies that prop up inherently unsuccessful businesses are unsustainable and ultimately a waste of money. In Porter's words: "This approach is also the only one that is politically feasible over the long term. It does not ask people to support wealth redistribution but focuses on expanding the economic pie."⁷

Neighborhood Associations

It is recommended that Clinton Township facilitate the formation of neighborhood and business associations, particularly in East Clinton. While there is a neighborhood association in University View, there is none in East Clinton and no business association in either area. These associations can be beneficial in promoting neighborhood cohesion and obtaining grant funding to conduct development studies and construct and maintain capital improvements.

The Merion Village Association (MVA), established in 1985, has had a significant role in the revitalization of Merion Village. This is a large neighborhood in Near South Columbus, south of German Village. According to its website, MVA "seeks to engage residents in activities that can assist in improving the lives of those within the neighborhood and to encourage friendships and goodwill among members and neighbors."⁸

As a long-established neighborhood association, MVA currently includes four standing committees. The Beautification Committee "works to create, improve and maintain a variety of beautification efforts throughout Merion Village." These efforts include installing and maintaining street corner planters, fostering fundraising for and installation of a community mural, and hosting neighborhood cleanup days. The Membership Committee promotes MVA and encourages residents and businesses to join. The Social Committee plans and hosts neighborhood events, the annual Merion Village Festival, and the Community Yard Sale. The Zoning Committee reviews construction and demolition plans and variance requests. Although not currently active, the Safety Committee shared information on criminal activity in and near Merion Village, provided general safety information for residents, liaised with the Columbus Police Department, and encouraged the formation of block watches.

The MVA also operates an information center in a small storefront on South Fourth Street. The center is open during community events, hosts committee meetings, and is available for rental. Current MVA members can rent the center at no charge; non-members pay \$15 per hour. An intangible benefit of the center is that it provides visibility for the MVA on a well-traveled street in the neighborhood.

As noted, one responsibility of the MVA is to review all projects and variances within the neighborhood boundaries that ultimately require City approval. Presentations by the applicants are made at the monthly MVA meeting, and the membership casts a non-binding vote to support or oppose the plan. The result of this vote is communicated to the South Side Area Commission, which also votes to support or oppose the plan. These votes are then passed on to City Council, which ultimately approves or rejects the proposal, taking into account the previous votes. This process could be adapted for an East Clinton neighborhood association and would give neighbors a say in projects affecting their neighborhood. However, frequent Township Trustee decisions in opposition to the association's wishes could cause

⁷ Porter (2016).

⁸ Merion Village Association. <https://www.merionvillage.org>.

resentment and ultimately lead to the association's demise. Opposing votes by the trustees would need to be carefully explained.

Although businesses in Merion Village are members of the MVA and provide significant support, the Near South Side also has an association exclusively for area businesses. The Parsons Area Merchants Association (PAMA) was formed in 1986 as the Parsons Avenue Merchants Association. The organization now encompasses a much larger area: that of the South Side Area Commission. This includes an area north to Livingston Avenue, east to Alum Creek, south to just north of Route 104, and west to Interstate 71. PAMA's mission is to promote and support existing businesses in South Columbus and support entrepreneurs in forming new sustainable businesses in the area.

PAMA offers business benefits similar to those of a chamber of commerce, including pooled insurance and employee benefit plans, and an electricity and natural gas procurement plan. PAMA also hosts a bimonthly speaker series, regular networking events, produces a quarterly newsletter, and conducts surveys and studies.⁹

Bob Leighty has had a significant role in both organizations, serving for many years as the MVA president and was formerly executive director of PAMA.¹⁰ He stressed that the first priority of a new neighborhood association needs to be neighborhood safety, and that the association should not take on too much initially. Social activities are important in forming neighborhood bonds and encouraging involvement in the association, but they cannot be the association's sole purpose.

Alliances with nearby neighborhoods and groups when these make sense can strengthen the association. The MVA has strong relationships with adjacent neighborhood groups and with Community Development for All People, a relief organization that provides a wide array of services and advocacy for lower-income individuals on the South Side. An East Clinton Neighborhood Association could ally itself with the North Linden Area Commission. This is particularly sensible given the fact that North Linden surrounds much of East Clinton and heavily influences its safety and property values. Positive relationships with local government are also important – in this case, Clinton Township and Franklin County.

Bob Leighty emphasized the need for a structure, bylaws, and rules of order at the outset. These are necessary to manage conflicts and maintain order. Meetings should be open, and records and minutes should be kept. It is important to keep in mind that the association's work is undertaken by volunteers who probably have limited time. People should be met where they are, and the association should take only what assistance it can get. Ideas and offers to help should never be rejected out of hand.

An important reason to keep the scale of goals and activities manageable is to avoid member burnout. Members should find their work meaningful and impactful. Large goals that are unfulfilled can result in dissatisfaction and member attrition.

Formal nonprofit status should be obtained early in the organization's existence; alternative statuses are 501(c)3 and 501(c)4. A 501(c)3 organization is typically formed for religious, charitable, or educational purposes. A 501(c)4 is formed for social advocacy work. While 501(c)4 organizations are much more flexible with regard to their ability to advocate for political positions, contributions are not tax

⁹ Disclosure: PAMA is a current Regionomics client.

¹⁰ B. Leighty, personal interview, February 6, 2023.

deductible as they are for a 501(c)3 and grant funding opportunities are more limited. Grants may be needed for streetscape and sidewalk improvements and other capital needs, but should not be relied upon for operating funding. MVA is a 501(c)3 organization.

A business network can be a way of promoting networking and information sharing among businesses in the area and developing an identity for these businesses. Ultimately, as the organization grows, it can provide promotional and financial benefits similar to those of PAMA. Although the organization can begin in Clinton Township, there is no reason why it needs to be confined within those boundaries.

Starting civic and business associations in East Clinton and enhancing the University View Civic Association involves asking for volunteers and providing meeting space and other initial logistical support. This can be done through the Township's communication with residents, or officials may know neighborhood leaders who can be individually approached. The benefits include stronger relationships and friendships with neighbors, increased neighborhood identity, pride, and involvement, and a cleaner, safer neighborhood which can lead to increased property values. Businesses can form relationships and gain information that will make them more successful.

The Importance of Locally Owned Businesses

A positive feature of many of the businesses in Clinton Township is that they are locally owned and serve a local customer base. These businesses provide economic benefits that extend both to the neighborhood and to the region.

Economic developers generally ignore industries such as retail and restaurants. The argument goes that these businesses just circulate dollars that are already in the economy and create no income or wealth that was not present already. But this argument is not correct in the case of locally owned, locally serving businesses. These businesses trap wealth that would otherwise leave the economy.

Most local businesses deal with local suppliers and local business service providers. Their spending becomes income for these businesses and creates additional local economic activity, jobs, and wealth. Economists call this a multiplier impact. In contrast, a typical chain maximizes efficiency and consistency by centralizing its suppliers of inventory, supplies, marketing, accounting, and other business services. The sales dollars spent locally flow to the corporate headquarters to support these activities. The local multiplier impact of this spending is thus zero. In addition, management salaries and profits of the chain also flow to the headquarters – or globally, if it is a publicly traded company. Salaries and profits of local businesses stay local, thereby supporting local household spending.

This difference is significant. Civic Economics has conducted studies of the impact of local businesses throughout the country.¹¹ The results are that chain retailers retain an average of 14 cents of every dollar for at least one additional round of local spending. Locally owned retailers trap an average of 48 cents. Chain restaurants retain on average 30 cents; locally owned restaurants retain 65 cents. The author conducted a study of the Columbus North Market using generally the same approach as Civic Economics.¹² The results were that North Market retailers retained 79 cents of every sales dollar for at least one additional round of regional spending and restaurants retained 87 cents. Both were at the

¹¹ See Civic Economics (n.d.). Indie impact study series. <http://www.civiceconomics.com/indie-impact.html>

¹² B. LaFayette (2016). Economic and tax impacts of the North Market.

upper bound of the range of impacts found in Civic Economics studies. The explanation is likely that Columbus is a large, diversified economy that offers many opportunities for local sourcing of goods and services.

The point of this argument is that preventing wealth from leaving the local economy has the same economic impact as bringing wealth in. Economic development should thus focus on building local businesses just as they focus on attracting manufacturers, corporate headquarters, and distribution operations.

Beyond these economic advantages, business ownership can offer income potential far greater than wage employment and can be a pathway to meaningful employment for ex-offenders and others with barriers to conventional employment. These businesses can also promote a neighborhood's identity and uniqueness and offer services tailored to a specific population, meeting their needs more effectively than any chain.

Unfortunately, the Columbus metro area ranks very low among large metros nationwide in three measures of small business vitality. Out of the 100 largest metro areas in the U.S., Columbus ranks 82nd in the percentage of workers who are self-employed, 84th in the percentage of all businesses that have fewer than 20 employees, and 74th in the birthrate of these businesses.

Two factors seem to explain these rankings. It is not demographic or economic characteristics or the rate of economic growth. Rather, metros with an especially high concentration of very large businesses (including Columbus) tend to rank lower in these three measures, all else equal, as do those with a smaller percentage of residents born outside the U.S. The share of immigrants in Columbus is increasing but is still below average. It is worth noting that a number of businesses in East Clinton are owned by immigrants and serve the needs of their community.

Fostering the creation and success of small and startup businesses in Clinton Township, beyond assisting the businesses themselves, could be a way of improving the vitality and density of the commercial corridors in East Clinton. Publicizing the unique offerings of these businesses could draw a broader clientele and reduce business turnover and commercial vacancies. However, the lower space rents in East Clinton are a benefit to a cash-strapped startup.

Supporting these businesses involves understanding the needs of current and prospective entrepreneurs. Startups may or may not need capital, but all need support. The first step toward business ownership is overcoming the fear factor of a prospective business owner with information. Valuable local resources exist but are not well publicized. The Small Business Development Center at Columbus State offers counseling and business planning services to current and potential business owners. These services are supported with federal Small Business Administration funding and are free to clients. The Columbus Metropolitan Library has a group of resources to assist current and would-be small business owners. The Economic and Community Development Institute, headquartered in Columbus, operates throughout Ohio, offering small business loans at favorable rates, along with training and mentoring support.

The truth is, however, that business ownership is inherently risky and is not for everyone. Most entrepreneurs are passionate about their idea and good at selling it. Far fewer are good at the day-to-day running of a business, which is a different skill. That is why mentoring programs are so important – including one that a Clinton Township business association's peer support network could provide.

Impacts of Intel and Amazon Developments

The Intel development in western Licking County will offer far greater opportunities for Clinton Township than is perhaps appreciated. Intel's microchip fabrication (fab) complex is currently under construction. The plant will directly employ 3,000 when operations are slated to begin in 2025. Intel intends to have its first-tier suppliers co-locate in the development, with the potential of employing as many as several thousand more. There is the possibility of six to eight more fabs developing over the next decade, so employment could increase to 15,000 to 18,000. Meanwhile, as many as 7,000 construction workers will be employed to construct the initial fabs – plus additional workers to develop infrastructure and build supplier operations. Given the ongoing development of subsequent fabs and the need to maintain and repair existing facilities, many of these jobs will continue long after 2025. In addition to this development, Amazon has purchased 392.1 acres just south of the Intel property. It will include data centers and additional unspecified uses – likely Intel suppliers.¹³

The Intel and Amazon developments will substantially increase demand for housing in both East and West Clinton. It is a 17-mile, 22-minute commute to the site from the intersection of Cleveland Avenue and Westerville Road, and a 27-mile, 30-minute commute from University View. Given the above-market wages that Intel and its suppliers will pay, a 30-minute commute would be reasonable. One out of every five commuters in Franklin County currently travels 30 minutes or more to work. MORPC expects a greater share of workers to undertake extreme commutes (one hour or more) for both construction and operating jobs. Affordable areas of Franklin County such as Clinton Township could provide an attractive alternative to these long commutes.

Intel has broadly publicized a \$135,000 average annual pay for its workforce. This suggests that these will be high-income jobs employing workers who will live in high-end neighborhoods, but that is not entirely true. First, for statistical reasons, the way that the average is calculated (mean rather than median) overstates what the typical worker will earn. Second, this figure almost certainly includes benefits which cannot be spent. An analysis of occupations employed in the microchip manufacturing industry and their Columbus MSA wages suggests that even if Intel pays wages far above market – and they will – as many as one-third of direct employees could earn less than \$50,000 per year, not including benefits.

In Table 4 are two potential wage distributions, one assuming that operating workers are paid at the 75th percentile of the wage distribution for each occupation in the Columbus MSA, and the other assuming pay at the 90th percentile. This analysis is based on data from the U.S. Bureau of Labor Statistics, not on information from Intel. Also included are two different averages. The mean wage is likely that promoted by Intel but excluding benefits. It is the average in the traditional sense: total pay for all workers divided by the number of workers. The median is the amount at the center of the pay distribution, with 50% of workers earning less and 50% earning more. If this analysis is correct, it suggests the possibility of a substantial need for workforce and affordable housing. This is a need that Clinton Township and North

¹³ J. Bush (2023, January 25). Amazon spends \$117M on 400 acres near Intel in New Albany as city preps tech park. *Columbus Business First*. <https://www.bizjournals-com.proxy.lib.ohio-state.edu/columbus/news/2023/01/25/amazon-buys-400-acres-near-new-albany-intel-site.html>

Linden are positioned to help fill given that residential developments and land in Licking County are already being bid up and becoming significantly less affordable.¹⁴

Table 4: Prospective Pay Distributions for Semiconductor Manufacturing Occupations in the Columbus MSA, Excluding Benefits

Annual pay range	Pay at 75 th percentile	Pay at 90 th percentile
Less than \$40,000	1.7%	0.0%
\$40,000-\$49,999	32.2%	4.0%
\$50,000-\$59,999	2.8%	23.3%
\$60,000-\$69,999	4.0%	9.4%
\$70,000-\$79,999	18.4%	15.5%
\$80,000-\$89,999	4.3%	3.8%
\$90,000-\$99,999	2.7%	3.1%
\$100,000-\$119,999	21.1%	5.9%
\$120,000-\$139,999	6.7%	24.7%
\$140,000-\$159,999	1.7%	1.7%
\$160,000-\$179,999	4.3%	2.6%
\$180,000-\$199,999	0.0%	2.4%
\$200,000 or more	0.0%	3.7%
Mean	\$79,920	\$96,199
Median	\$76,390	\$77,540

This same labor force analysis suggests that the educational qualifications for as many as one-half of Intel jobs include only a high school diploma and one year of training. From the demographic analysis, 57% of Clinton Township adults have a high school diploma, a diploma plus some college, or an associate degree. With the appropriate interest and training, all of these individuals could access these jobs. Although the pay would be far less than the \$135,000 average implies, it would be far higher than most other jobs with similar education and training requirements. Intel has already begun hiring; the Township could help to promote these opportunities to its unemployed and underemployed residents.

An influx of new households into the residential portion of the township would provide the resources to rehabilitate and replace the housing stock and spur new infill development. Denser residential development in the township and North Linden neighborhoods would increase the demand for retail, restaurants, and personal services. This would increase the density of development on commercial corridors.

For these reasons, it is important for Township officials to keep close track of the Intel and Intel-related developments and be prepared to supply housing and promote the training and employment opportunities to Clinton Township residents.

¹⁴ K. Mallett (2023, January 27). Licking County becomes the 'bullseye' for development one year after Intel. *Newark Advocate*. <https://www.newarkadvocate.com/story/news/2023/01/27/a-year-after-intel-licking-county-becomes-bullseye-for-development/69839989007/>