

OHIO'S ELECTRIC COOPERATIVES CURRENT



Following in the Footsteps of Giants

Years before Amazon and Procter & Gamble located facilities in City of Union, Ohio, roadway improvements and infrastructure investments were underway. Now the city has over 1,000 acres of prime, immediately developable land ideally suited for ecommerce, distribution center, and manufacturing uses.

Let's take a look at how City of Union and Montgomery County officials and organizations came together to best leverage the assets of their region, creating a fertile ground for growth and development.

Location, land, and labor—three essentials for success.

1. Location

The Dayton region is one of the nation's most ideal distribution locations.

The City of Union is directly accessible by two of the nation's interstate highways (I-70 and I-75). Geographically, the Dayton region is one of the nation's most ideal locations for a two- to eight-facility distribution network, according to a study by the internationally renowned St. Onge Company.

Ohio has the infrastructure to support fast, on-time deliveries.

The Dayton region's central location means businesses can reach 60% of U.S. consumers and suppliers in one day. Ohio has the nation's fourth-largest interstate highway system. UPS, DHL, FedEx, and the U.S. Postal Service have six distribution and processing hubs in Ohio—more than any other Midwest state. Five international airports—Cincinnati, Dayton, Columbus, Louisville, and Indianapolis—are within 90 minutes.



City of Union and Dayton, Ohio, are directly accessible by two of the nation's interstate highways.



“The Dayton region has everything companies need to quickly reach their customers,” said Dayton Development Coalition’s Executive Vice President of Regional Development Julie Sullivan. “Ohio continues to invest in sites and infrastructure to keep the supply lines moving, and we continue to build a skilled, nimble workforce to support this fast-growing industry.”

Focused strategies maximize geographic advantages.

The St. Onge study (commissioned by Montgomery County Economic Development) helped prioritize certain infrastructure projects so the region can more effectively serve specific industries that are well suited for the region’s unique attributes. Outreach efforts were focused on manufacturing, logistics, food-based, pet products, water-intensive, aerospace, ecommerce, and class A distribution centers.

2. Land

Immediately developable land attracts ecommerce and manufacturing users.

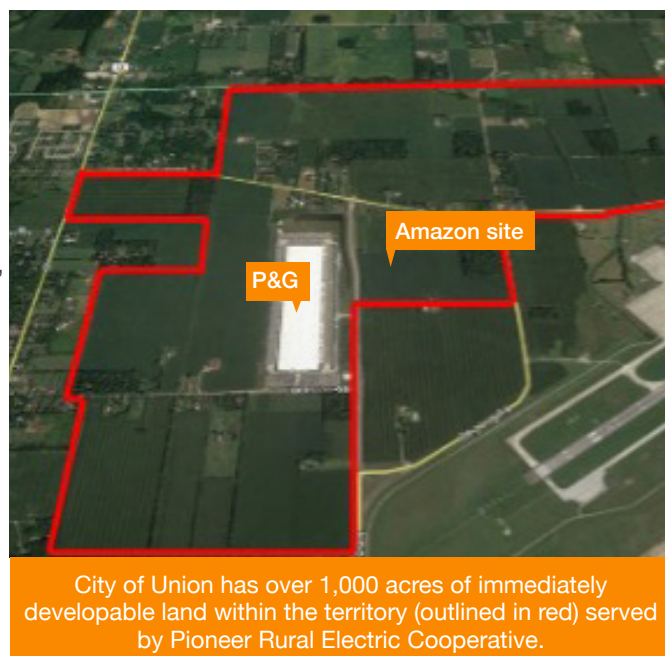
Well before the St. Onge study, City of Union City Manager John Applegate and municipal leaders were strategizing ways to support growth and stimulate prosperity. “Twenty years ago, a business owner on the east side of the Stillwater River requested annexation to Union in order to access water service,” said Applegate. “More landowners followed suit, and growth by annexation continues today. We took a risk, and now it’s paying off.”

In 2014, when P&G was searching for a site for its 1.8-million-square-foot mixing and distribution facility, Union was ready. Applegate added, “We have another thousand acres ready to go.”

The Amazon site is immediately across Union Airpark Boulevard from P&G. This five-lane roadway, constructed in 2014, is the primary north-south corridor that connects to the National Highway (Route 40). Industrial growth in the area led to the widening of Route 40 to five lanes (completed in 2021) between Union Airpark Boulevard and the Airport Access Highway.

Post-pandemic interest is “pretty incredible.”

“COVID-19 accelerated the demand for distribution and fulfillment space,” said Applegate. “We now have national and regional developers actively engaged in the industrial park. Two spec distribution buildings are under construction by developers Opus and Panattoni. Northpoint Development has started construction of a distribution building for end-user LeGrand. Dayton Freight will soon acquire a 50+ acre site for a freight facility and plans to start construction in March. The developer Exeter will soon begin construction of a 1 million-square-foot distribution facility. Al Neyer, a Cincinnati Developer, has an option to purchase 30+ acres and anticipates starting construction this spring.”



Affordable utilities and in-place infrastructure put Union on site selectors' short list.

While location, land, and labor are kingpins of economic development, projects only move forward when infrastructure is actually in place. And that's where City of Union really excels.

Out of 67 water and sewer utilities in the region, Union's rates are the lowest.

"When we started expanding 20 years ago, we used the tap-in fees for expansion. We ran the utility lines with our own crews," said Applegate. Union's utility rates reflect the community's resourcefulness.



Building roadways for what's coming next.

"We're looking beyond each immediate development," said Steve Stanley, Executive Director of Montgomery County Transportation Improvement District (TID). "We're not just building for the immediate project, rather building for what's coming next. We currently have over \$30 million in roadway improvements in the works."

Powering development with affordable, reliable electricity.

Pioneer Rural Electric Cooperative, Inc. is currently building an additional substation for this area to serve the new Amazon load and other potential sites in the industrial park. Each substation has multiple circuits (and growth capacity), so power can be fed from another circuit when necessary.

The Dayton region welcomes water-intensive businesses.

"We're open to any and all industries," said Applegate. Water is the Dayton region's most abundant natural resource. Montgomery County, home to City of Union and Dayton, marks the convergence of three rivers, which help recharge and renew a 1.5-trillion-gallon underground aquifer. With more than 6,000 miles of rivers and streams, the Dayton region is an ideal place to locate manufacturing and processing businesses that need a dependable source of water.

3. Labor

Lower regional cost of living results in affordable labor costs.

At one point, Montgomery County and the Dayton region had the second-largest concentration of General Motors facilities. That manufacturing legacy built a concentration of skilled, innovative individuals in a community with a lower cost of living, resulting in lower labor costs for companies that choose to locate in the Dayton region.

Exceptional workforce development programs prepare workers for in-demand jobs.

Montgomery County is committed to building the workforce to continue the expansion of the local economy. The county provides grants of up to \$15,000 for eligible individuals to complete training in industries with a high demand. Programs for businesses also aim to strengthen



Montgomery County's workforce development programs prepare workers for in-demand jobs.

the workforce. Project Hire can reimburse up to 50 percent of eligible employees' wages while they're being trained in a new job. The Incumbent Worker Training program can also reimburse up to 90 percent of certain trainings for a company's existing employees.

Amazon's newest generation fulfillment center

Amazon's City of Union facility will be the company's eleventh fulfillment center in Ohio, and the tallest by far with five floors, plus a mezzanine and a 630,000-square-foot footprint.

Although massive in scale, inventory in the ecommerce facility will be limited to small and medium-size items such as books, electronics, and consumer goods. At least 1,500 new full-time, full-benefit jobs will be created.



Amazon's City of Union fulfillment center will have five floors plus a mezzanine and a 630,000-square-foot footprint.

"Attributes of the Union site particularly attractive to Amazon representatives during the site selection process were the existing five-lane highway, close proximity to I-70/I-75, and the nearby Dayton airport," said Applegate. "The ability of the developer and city to respond quickly and the capacity of the local government to turn around a project in a very short time were also vitally important."

In Ohio, Amazon currently has 10 fulfillment and sortation centers in Akron, Etna, Euclid, Lockbourne,

North Randall, Monroe, Obetz, Rossford, Twinsburg, and West Jefferson. Additional Amazon facilities include delivery stations, an Air Gateway, Whole Foods Markets, Amazon Hub Locker+ locations, and wind and solar farms.

Since 2010, Amazon has created more than 41,000 jobs in Ohio and invested more than \$5.9 billion across the state, including infrastructure and compensation to its employees. Amazon's investments have helped create over 22,600 indirect jobs on top of Amazon's direct hires – from jobs in construction and logistics to professional services.

North America's top 1,000 online retailers grew 45.8% during pandemic-ridden 2020.

Market research firm Consumer Intelligence Research Partners LLC estimated there were 153 million Prime members in the U.S. as of the end of the second quarter of 2021, up from 124 million a year earlier.

Amazon is No. 1 in the 2021 Digital Commerce 360 Top 1,000, a ranking of North America's leading retailers by online sales, and No. 3 in the 2021 Digital Commerce 360

Online Marketplaces ranking of the leading multi-merchant shopping sites by worldwide sales.

The Digital Commerce 360 Top 1,000 is a complete ranking of the leading 1,000 online retailers headquartered in North America. Collectively, North America's Top 1000 online retailers grew an astonishing 45.8% in 2020 to cross \$882 billion in online sales.

Partners pulled together to create the right business climate to invest in.

Since 2014, over \$591 million has been invested in more than 12.2 million-square-feet of new manufacturing, distribution, ecommerce, and transportation facilities in the City of Union, according to Erik Collins, Director of Community and Economic Development for Montgomery County, Ohio. Approximately 6,000 jobs have been created, nearly equal to Union's population.

Collins explained that all this started happening due to the St. Onge study. "As an economic development team, we really leaned on the St. Onge report and worked the plan we created," Collins said. "With that focus, we worked with partners on infrastructure, pulled together the missing pieces for key sites, and marketed to the targeted industries. We didn't single-handedly land these projects. It was everyone coming together to create the right business climate to invest in. In Union, the market sees the success and sees the benefit to being in this place."

"We've all worked together to grow the region. It's great to be part of that," Applegate added.

Balancing speed, risk, and cost to achieve company goals.

Gwen Eberly, Montgomery County Economic Development and Planning Manager, says the approach is to always balance speed, risk, and cost, but to identify which one is the most important to the company.

"Every time we work with a company, we find ways to address all three challenges by bringing our partners—City of Union, TID, Pioneer Electric, and others—to weigh in on what is needed," said Eberly. "The team also considers how to continue improving infrastructure to make operating successful for the new company and to positively impact existing companies."

Building inspections are just one example of how close collaboration benefits new projects. Montgomery County performs building inspections for construction within City of Union. Eberly said, "We get involved early. We hold pre-construction conferences with contractors to help accelerate their timeline and address questions about processes."

Montgomery County immediately flips the switch to business retention.

How Montgomery County takes care of existing businesses is a value-add that's also a major advantage for site selectors.

"Once a business commits to Montgomery County, we immediately flip the switch to business retention," said Eberly, who leads the county's nationally recognized BusinessFirst! retention and expansion program. New businesses are connected immediately to over 100 local resource partners.

BusinessFirst! activities include frequent roundtable discussions with new and existing businesses on topics ranging from road construction impacts to COVID-19, RTA bus system route changes, and amenities needed closer to the industrial parks (e.g., gas station, urgent care). An outcome from one roundtable led to the creation of a job fair at the Dayton airport. "We address whatever companies need to help their business be successful."



Frequent roundtable discussions facilitated by Montgomery County's BusinessFirst! retention and expansion program helps companies address whatever they need to be successful.

Montgomery County TID helps pave the way to City of Union's industrial parks.

The Montgomery County TID facilitates regional partnerships to improve public roadways and support job creation. The TID is engaged with projects at the request of other Montgomery County governments. "We bring together partners from across municipalities to facilitate projects they would not have the capacity to complete alone," said Executive Director Steve Stanley. "At



BUSINESS SERVICES

the same time, we leverage decades of expertise to streamline project timelines and secure innovative funding solutions."

Since the TID was formed in 2001, the organization has been directly involved in financing and constructing more than \$100 million in public infrastructure improvements. Notable project successes include creation of Union Airpark Boulevard, the five-lane connector roadway built to service Procter & Gamble's 1.8-million-square-foot Dayton Mixing Center, improving Route 40 to five lanes, plus upgrades of local roads.

"We have a lot of developer interest, both regional and national. We

expect there will be another five million square feet constructed within the next few years," said Stanley. "We have a strategy to improve the roadway system coming off the interstate and to loop all the way around the north side of the airport. We also plan to build a large industrial roundabout."

Applegate noted, "We expand our road system proactively. We're looking at spending \$20-25 million in road improvements over the next few years. Everything we look at, we ask: What's the next step? Is it a good expenditure of money? Will it help us continue to grow?"

Ohio's Electric Cooperatives serve multiple Amazon facilities

Amazon's City of Union ecommerce center is just the newest project served by one of Ohio's 25 local electric cooperatives:

- South Central Power Company serves five separate Amazon distribution and fulfillment centers located in the Rickenbacker area and within the Obetz and Lockbourne municipalities.
- The Energy Cooperative provides natural gas service to the Etna fulfillment facility.
- Pioneer Rural Electric Cooperative provides electricity for Amazon's City of Union facility.

"Pioneer Rural Electric Cooperative is a not-for-profit, consumer-owned electric distribution utility serving more than 17,000 residential, commercial, and large industrial members throughout 11 counties in west central Ohio," stated Nanci McMaken, VP/Chief Communications Officer of Pioneer. "As a cooperative, every Pioneer consumer is a member and has a voice in the operation of their electric utility. Pioneer is particularly responsive to the needs and expectations of members because they are also our owners."

"Pioneer has been a great partner," said Applegate. "I can't say enough about their team members and leadership. It's been a great cooperative benefit and a great working relationship."



A Touchstone Energy® Cooperative 



Montgomery County Economic Development offers site tours via virtual reality (VR) headset.

Dayton region's legacy of innovation lives on.

In the early 1900s, Dayton earned the distinction of having the most patents per capita. Remarkable inventions included the airplane, electric starter for automobiles, pop top beverage can, electric wheelchair, bar code scanner, step ladder, and so much more.

The mix of creativity, innovation, and hard work that fostered the “Birthplace of Innovation” is flourishing in Union City and throughout the Dayton region. To see for yourself, contact Montgomery County Economic Development for site tours and an immersive community tour via a virtual reality (VR) headset delivered, of course, by Amazon.

Look for Us:

Site Selectors Guild Annual Conference

March 2-4, 2022

San Diego, California

IAMC Spring 2022 Professional Forum

April 30 – May 4, 2022

Fort Lauderdale, Florida

Buckeye Power and Ohio's Electric Cooperatives can help with:

- Comprehensive site and building portfolios
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