

9 Economic Development

9.1 Introduction

The economy of Leroy Township was once rooted in the mills and forges that lined its streams and rivers. After the middle of the 19th century, agriculture became the dominant force of the local economy. In recent years, with increased residential development, the role of agriculture has diminished.

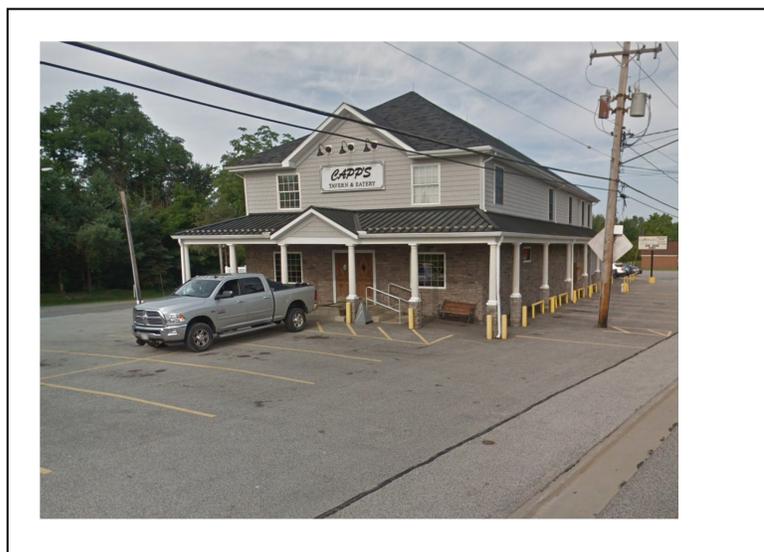
Today, Leroy Township is a predominantly residential community, with only a very limited commercial tax base. Resident opinions are varied regarding commercial and industrial development; Outside of restaurants and grocery stores, the respondents to the survey do not want to add uses that would take away from the rural atmosphere of Leroy Township. These uses included hotels, gas stations, auto service and body shops and industrial uses.

The Economic Development element identifies policies and strategies that will address the well being of Leroy Township – its communities, businesses and residents – in a local and regional economic context. It includes analysis of the local economy assessing its strengths and weaknesses in terms of the scope and character of the local employment base, the relationship between the local labor force and local opportunities for employment, and an assessment of current and future needs of the community.

The intent of the Economic Development element is to plan for increasing the town's employment and tax base and the diversity of retail services, while ensuring the rural character of the community is not irreparably harmed.

9.2 Economic influences

Excluding agricultural and equestrian operations and construction jobsites, the number of visible commercial enterprises in Leroy Township can literally be counted on two hands; two gas stations, a restaurant, a sub shop, a tavern, a convenience store, and a sandstone quarry. There are also several empty store fronts and commercial buildings. Many residents



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conduct home occupations, but the exact number is unknown. Most Leroy Township residents of employable age do not work in the community, but rather commute to jobs elsewhere, usually in Lake County or eastern Cuyahoga County.

The amount of retail leakage in Leroy Township – the difference between actual and potential retail sales in a community, or the amount of retail sales lost to other communities – is high, although the exact amount cannot be determined without a detailed retail study. There is no opportunity to counter retail leakage, because there are no local alternatives providing the goods and services township residents are seeking elsewhere. According to a retail survey conducted by the Lake County Planning Commission in 2014, Leroy Township has about 18,684 square feet of retail space, an amount slightly larger than that of a new drugstore. 7,900 square feet is currently vacant. 11,945 square feet is devoted to food service, food sales, and retail convenience products, or 3.83 square feet for every Leroy Township resident. By comparison, there is 18.31 square feet per resident for all of Lake County. Leroy has about one-fifth the amount of convenience retail space per resident, compared to the county as a whole. Leroy has no retail space devoted to durable goods – department stores, appliance stores, furniture stores and the like – while there is 19.44 square feet of such retail space per county resident.

A sampling of responses from Township survey question #5: "Should the Interstate 90 and Vrooman Rd. interchange be developed? If so, what kind of development should be there?"

- *Locally owned business is fine*
- *Businesses we have are fine. Don't need more*
- *None. Moved away from all of the above*
- *Fresh local produce and locally made products sales*
- *Small meat market (similar to the old "D'Abates")*
- *Sheetz*
- *Chik fil a*
- *Chipotle*
- *Aldi*
- *Nothing crazy big*
- *Sporting goods like Cabelas/Bass Pro Shop*
- *Just to have a few small shops in the old subway building.*
- *Bank*
- *Local co-op, produce, local meat, local art*
- *A convenience store*
- *Brewery, winery, pub.*
- *Farmers Market*
- *Local preferred, not chain or franchises. Family-owned small business*
- *Coffee Shop or bakery at Five Points where old Subway was located.*
- *A small affordable grocery store like Aldis would be nice.*
- *Maybe a nice sit-down restaurant.*
- *Small businesses are ok. Boutiques/Beauty/Pet/Farm or gardening store.*
- *Small town grocery's*
- *Sit down restaurant but not a chain.*
- *brewery!*
- *More farm stands, produce stores*
- *More restaurants.*
- *Bakery, donut or ice cream. Not sure when industrial would be.*
- *Specialty boutiques*
- *Stores and services to function in daily life (e.g., Drug Store, etc.)*
- *All above amenities are close by (enough), if not already in, Leroy already.*
- *Possible diner. Not a chain*
- *Want residential only, except over by I 90*
- *Medical\Dental healthcare*
- *Water*
- *Coffee*
- *Hardware, Home Repair*

The Vrooman Road I-90 exit and the Vrooman Road Bridge are assets for economic development. Major barriers to retail, commercial and industrial development include the low number of “rooftops” or residents, the lack of sewer and water service, and the unavailability of appropriately zoned land. Being located on the fringe of the Cleveland metropolitan area makes Leroy a less-than-ideal location for general office uses. However, offices for professional uses that serve the local population and residents of surrounding townships – medical, dental and insurance, for instance – are feasible.

9.3 Desired businesses

The results of the Township survey conducted last year by the Planning Commission revealed that a majority of residents do not want to see new development in LeRoy Township, except for sit-down restaurants, donut shops, bakeries, ice cream parlors, fast casual restaurants (burritos, Chinese or subs) or coffee shops.

Truck stops were only mentioned in comments by a few that responded to the survey, both in a positive and negative view. A modern truck stop is an intensive use – tall lighting pylons, large obtrusive signs with animated message centers, broad expanses of impervious surface, diesel clatter and smoke, engine brakes, and heavy traffic – that would be the antithesis of the low-to-medium intensity uses favored by respondents, and contrary to the desire of most township residents to preserve a low-key rural atmosphere.

Many respondents specifically mentioned that they want a sit-down restaurant. The site selection criteria of Cracker Barrel, and many similar restaurant chains, favors very visible locations near busy Interstate highway exits, where there is an established base of traveler-related services; gas stations, hotels, motels, other restaurants, and some retail development, in communities with lenient sign regulations. The lack of competition is not considered. A Leroy Township location for the Cracker Barrel chain is unlikely, considering that the Vrooman Road exit area doesn't meet the chain's site selection criteria, and that another location is a fifteen-minute drive away, in Willoughby at the I-90/SOM Center Road exit.

The prospect of vehicle related uses, such as automobile dealers and heavy equipment rental, generally received a negative response among residents. The respondents would not like these uses.

Many residents mentioned the poor condition of the site housing a small restaurant at the southwest corner of the interchange and the vacant building located on the roundabout. The interchange site, which includes building with no endearing character, no landscaping, no access management, an unmaintained parking area, and an abandoned high-rise sign, provides a poor initial impression of the township at its most important gateway. The site would likely be redeveloped if water and sewer service were extended to the interchange area.

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Day-to-day retail commercial uses serving the needs of residents would be ideally placed in a neotraditional town center at Five Points. The location is central and accessible, and has the advantage that most residents would not need to travel on the increasingly busy Vrooman Road corridor to access it. The site of the vacant retail building would be ideal for this type of use.

Residents generally wanted to see industrial development kept to a minimum. If it comes, it should be limited, light industrial development. This type of development can be accommodated in the I-90/Vrooman Road interchange area with little impact on the rest of the community. Industrial development should be of high quality, and not a collection of pre-fabricated structures in a poorly planned industrial park.

Cost of community services

Cost of community services studies are used to evaluate the economic contributions of open space, farmland, and residential and commercial development. These studies help communities evaluate the costs of different combinations of land uses, and balance goals such as maintaining affordable housing, creating jobs, and conserving land and resources.

A cost of community services study conducted by Cecil County; Maryland (October 2002, American Farmland Trust) found that for every dollar of revenue that residential development generated, about \$1.17 was required in public services. For every dollar of revenue that commercial and industrial development generated in the county, 34 cents was required in services. For every dollar that was generated by agricultural uses and open space, 66 cents was required for associated services.

Because Leroy Township has so little commercial use, it would be difficult to conduct an accurate cost of community service study. In studies conducted by other communities, the results almost always found that commercial and industrial development subsidizes the services used by residents. Houses don't pay for themselves; the cost of services consumed by a residential use is usually more than the property tax revenue it generates. Commercial, industrial and agricultural uses typically pay more in property taxes and various fees (permits, bed taxes, and so on) than the cost of services they use.

Without commercial and industrial development to subsidize services used by residents, the bulk of the tax burden is placed on residential taxpayers. Unless it is dominated almost entirely by high-end homes that pay for themselves in services, the tax burden faced by residents in a community with few commercial and industrial uses will be higher than in a community with a more diverse tax base.

As described in the Land Use element, limited commercial and industrial land use can be accommodated in Leroy Township without sacrificing the rural environment. In fact, some commercial development, if thoughtfully planned (for instance, a traditional town center, or a suburban-style shopping plaza built subject to very strict design requirements), may help to create a distinct "sense of place" that would differentiate it from surrounding exurban communities.

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9.4 Agri-tourism for farmland preservation

Agri-tourism is a commercial enterprise at a working farm, conducted for the enjoyment of visitors while generating supplemental income for the owner. Agri-tourism opportunities include outdoors recreation (horseback riding, cross country skiing), direct sales (self-pick farms, farm stands), educational experiences (tours, historical exhibits), accommodations (bed and breakfast inns), and entertainment (corn mazes, hayrides, concerts).

Agri-tourism is a growing sector of the tourism trade. About 62.4 million Americans – nearly 30% of the U.S. population – visited a farm during a 12-month period in 2000-2001, according to the 2000 National Survey on Recreation and the Environment.

Several counties in California sponsor “farm trails,” which are similar to wine routes. Farms along the trail offer tours, direct sales to the public, and occasionally lodging and dining. The California Agricultural Homestay Bill exempts farms and ranching operations that offer overnight stays from the more stringent requirements of operating a commercial restaurant. To qualify for overnight stays, the farms and ranches must produce agricultural products as their primary source of income. Farmers are limited to six guest rooms and 15 visitors a night.

The most visible agri-tourism-related activities in Lake County can be found at wineries in Madison Township. Chalet Debonne offers a variety of attractions appealing to tourists, including tours, tasting, a gift shop, an amphitheatre for concerts, live entertainment, and outdoor dining. Claire’s Grand River Winery offers tours by appointment. Maple Ridge Vineyards offers on-premises wine sales, tasting and tours. There is the opportunity to develop more amenities that could attract those touring Winery District visitors, such as bed and breakfast inns, restaurants and regular tours. There are no known agri-tourism operations in Leroy Township.

9.5 Incentives for economic development

Retailers establish a business at a location because a market exists for a product or service they offer. Incentives are not required to lure a new retail business, and few government agencies in the United States offer direct incentives to retailers. However, they may fund general improvements such as streetscape beautification and new infrastructure, to create an environment that is more attractive to retail businesses. Tax increment financing (TIF) districts, where improvements are funded with bonds that are paid back from the revenue of increased property taxes directly resulting from those improvements, are also used to fund improvements that will attract retail development.

Use of incentives and other government assistance, such as property acquisition through eminent domain, should not be directed at specific retail businesses. Such

incentives amount to a local government subsidy of a retailer that will compete with established merchants, giving it an unfair advantage in the marketplace. Incentives should not be offered to national retailers that would probably be established in the community even if such a benefit were not offered. Incentives should also not be offered for retail projects that may hurt shopping districts in surrounding communities.

The majority of Leroy Township residents want limited commercial development, and they are in no hurry to get it. The intent of attracting more retail and commercial uses to Leroy Township should be to create a sense of place by building a town center, provide greater convenience to residents that normally have to travel long distances for day-to-day needs, and alleviate the tax burden on residential property owners by increasing the diversity of the tax base. Subsidizing commercial and industrial uses by offering tax abatement or other financial incentives would be contrary to the intent of attracting them to begin with, and also against the desires of Township residents.

9.6 Smart growth and economic development

Recognizing the importance of economic development issues and their role in smart growth, in 1997 the Local Government Commission developed a set of 15 principles specifically focused on economic development. The Ahwahnee Principles for Economic Development promote the following.

- 1. Integrated approach.** Government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that encourages local enterprise, serves the needs of local residents, workers, and businesses, promotes stable employment and revenues by building on local competitive advantages, protects the natural environment, increases social equity, and is capable of succeeding in the global marketplace. For the township, this means an emphasis on small, locally owned businesses that offer middle-class and higher wages, which produce a product or offer a service that meets a need not just locally, but regionally and nationally.
- 2. Vision and inclusion.** Communities and regions need a vision and strategy for economic development according to the principles. Visioning, planning and implementation efforts should continually involve all sectors, including the voluntary civic sector and those traditionally left out of the public planning process. The Comprehensive Plan should be a start for a larger economic development planning effort in the township, which includes businesses, community officials, and residents.
- 3. Poverty reduction.** Economic development efforts should be targeted to reducing poverty, by promoting jobs that match the skills of existing residents, improving the skills of low-income individuals, addressing the needs of families moving off welfare, and insuring the availability in all communities of quality affordable child care, transportation, and housing.
- 4. Local focus.** Because each community's most valuable assets are the ones they already have, and existing businesses are already contributing to their home

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communities, economic development efforts should give first priority to supporting existing enterprises as the best source of business expansion and local job growth. Luring businesses away from neighboring communities is a zero-sum game that doesn't create new wealth in the regional economy. Community economic development should focus instead on promoting local entrepreneurship to build locally-based industries and businesses that can succeed among national and international competitors.

5. Industry clusters. Communities and regions should identify specific gaps and niches their economies can fill, and promote a diversified range of specialized industry clusters drawing on local advantages to serve local and international markets. The manufacturing sector of Lake County includes a growing cluster of businesses related to aircraft parts, medical equipment, and precision machinery. This niche could form the foundation for enhancing a manufacturing-based local economy, and compensate for the loss of heavier industrial operations. New white-collar jobs based on engineering and research in specialized industry sectors can complement manufacturing-based jobs, and provide a more diversified, recession-resistant local economy.

6. Wired communities. Communities should use and invest in technology that supports the ability of local enterprises to succeed, improves civic life, and provides open access to information and resources. Ensuring that broadband Internet service is widely available in Leroy Township will make the area more attractive to home-based businesses. While many rural communities are considering community wi-fi networks, the heavy tree cover in much of Leroy Township makes this prohibitively expensive. In the future, as technology becomes both cheaper and more advanced, a community wi-fi network may become feasible.

7. Long-term investment. Publicly supported economic development programs, investments, and subsidies should be evaluated on their long-term benefits and impacts on the whole community, not on short-term job or revenue increases. Public investments and incentives should be equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises, instead of individual firms.

8. Human investment. Because human resources are so valuable in the information-nation age, communities should provide lifelong skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training available to all. Vocational education and skills training should be continued on a regional basis, creating a pool of talent that would be an incentive for employers to locate in the area.

9. Environmental responsibility. Communities should support and pursue economic development that maintains or improves, not harms, the environmental and public health. Development should respect and maintain the environmental well-being and rural atmosphere of the township; watersheds, tree cover, air quality and lack of noise and light pollution.

10. Corporate responsibility. Enterprises should work as civic partners and stewards, contributing to the communities and regions where they operate, protecting the natural environment, contributing to civic affairs, and providing workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment.

11. Compact development. To minimize economic, social, and environmental costs and efficiently use resources and infrastructure, new development should take place in existing urban, suburban, and rural areas before using more agricultural land or open space. Development in Leroy Township will likely occur on a “greenfield” rather than an existing infill or brownfield site elsewhere in the region.

12. Livable communities. To protect the natural environment and increase quality of life, neighborhoods, communities and regions should have compact, multidimensional land use patterns that ensure a mix of uses, minimize the impact of cars, and promote walking, bicycling, and transit access to employment, education, recreation, entertainment, shopping, and services.

13. Center focus. Communities should have an appropriately scaled and economically healthy center focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in the town center or downtown. Concentrating development in a traditional town center, if developed, meets this principle.

14. Distinctive communities. Having a distinctive identity will help communities create a quality of life that is attractive for business retention and future residents and private investment. The township must work to create a sense of uniqueness, attractiveness, history, and cultural and social diversity, and a strong local sense of place, keeping it distinct from other exurban communities.

15. Regional collaboration. Since industries, transportation, land uses, natural resources, and other key elements of a healthy economy are regional in scope, communities and the private sector should cooperate to create regional structures that promote a coherent metropolitan whole that respects local character and identity.

9.7 Goals and policies

Each primary paragraph (in bold type) is a statement of a goal. The subparagraphs are policies for implementing the goal.

ED-1 Develop commercial and industrial uses that are comparable to the rural lifestyle of the Leroy Township and creates a balanced tax base.

ED-1-p1 Allow for limited commercial development that will serve the needs of local residents and create a tax base.

- ED-1-2 Encourage non-vehicle related businesses that serve the day-to-day needs of township residents to locate in a traditional town center in the Five Points area.
- ED-2-p3 Discourage the creation of a commercial district with predominantly vehicle-related uses in the Vrooman Road/I-90 interchange area. Permit limited traveler services, such as gas stations and motels, subject to very strict site planning, signage, landscaping, buffer, architectural, lighting and drainage requirements that reflects and respects the total character of the township. Discourage “heavy” uses such as truck stops, commercial vehicle sales, construction and moving equipment rental, and adult-oriented uses catering to truckers and transients.
- ED-2-p4 Discourage commercial development that tends to be visually or environmentally disruptive by its very nature; i.e., preferences towards large or tall signs, intensive lighting required, large impermeable surface areas needed, idling vehicles inherent as part of the use, and so on.
- ED-3-p5 Ensure industrial development, if permitted, is located where it does not disrupt traffic patterns or disturb rural character.

ED-2 Redevelop or eliminate ineffective commercial or industrial uses.

- ED-2-p1 Work with investors, builders or developers to rehabilitate old structures to make them economically productive. Ask for assistance from Lake County Development Authority in this endeavor.
- ED-2-p2 Work with property owners and/or local officials to eliminate ineffective, obsolete commercial or industrial structures.
- ED-2-p3 Review the Leroy Township Zoning Resolution Commercial and Industrial Sections to determine if they are effective in achieving the desired commercial and industrial development.

ED-3 Help agricultural uses remain economically viable and competitive with non-agricultural uses of the land, and maintain the rural character of the township.

- ED-3-p1 Work with local farmers, tourism associations, agricultural trade associations, the local Cooperative Extension agency, and other agencies to develop coordinated programs that promote agriculture.

ED-4 Develop an identity for Leroy Township

- ED-4-p1 Add welcome signs to the roads along the border of Leroy Township so that travelers will know that they are entering into Leroy Township.