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EXCLUSIVE: New Ohio jobs coming from old firms

Newcomers a good thing, but development efforts now put focus on keeping, growing what you have

Written by Dan Horn

All the big players showed up in February when Huhtamaki Inc. announced plans to move its plastic cup-making operations into the old Ford plant in Batavia.

Local politicians cheered the arrival of 200 new jobs, and Gov. John Kasich said the project proved Ohio is "moving in the right direction."

But as welcome as those new jobs are in Batavia, they are just one piece of Ohio's job creation puzzle.

New data from JobsOhio, the state's development group, show for the first time that state-supported projects like the new Huhtamaki plant represent a small part of job creation in Ohio.

Instead, most of the 21,000 new jobs created by JobsOhio projects in 2012 were tied to the expansion of home-grown companies already here. The data underscore a major shift in state and local economic development strategy: less emphasis on attracting out-of-town companies and more emphasis on retaining and expanding businesses that have been in the state for years.

"It's great to have big new companies, but our No. 1 goal is retention," said Clermont County Commissioner Bob Proud, who was part of the Huhtamaki welcome wagon when the Finnish-based company announced it was coming to town.

"We want to keep what we have," he said.

The Enquirer analyzed data obtained from JobsOhio on the nearly 300 projects across the state that received loans, grants, tax credits or logistical support of some kind last year.

The analysis shows that state-supported projects helped retain about 55,000 jobs from companies already in Ohio and helped them add 13,000 more jobs through expansion.

That's almost nine times the 7,700 jobs created in 2012 by new businesses.

"We spend a lot of time with folks who are already here," said Mark Patton, senior managing director of JobsOhio. "If you're not asking the right questions, stuff goes elsewhere. They don't just plop things down next to existing plants."

The new approach is welcome news to companies that have been in Ohio for years. "There was a time when if you needed any cooperation you had to threaten to leave," said Arlyn Easton, president of Meyer Tool in Cincinnati. "We were pressing them to treat us like they treat the outsiders."

The change in approach matters because government development agencies spend millions of taxpayer dollars every year in low-interest loans, grants and tax credits to help lure, keep or expand businesses.

Article continued here: <http://news.cincinnati.com/article/20130430/BIZ01/304300030/Bulk-our-new-Ohio-jobs-comes-from-our-old-firms>

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