



HOW THE FORD TRANSMISSION FACILITY IS BEING REDEVELOPED

FORD PLANT FACTS

The plant opened in 1981 as a transmission manufacturing facility.

The facility consists of 1.8 million square feet, of which 136,000 square feet is office space with the remaining being manufacturing / warehouse.

The facility is located on 230 acres of land at Batavia Road and SR 32.

In January 2006 the Ford Motor Co. announced the plant would close, and final operations ceased in August 2008.

At its peak, the facility employed over 2,500, with approximately 1,700 being employed at the time the closure was announced.

When Ford initially announced in January 2006 that the Batavia transmission plant would be one of 14 Ford facilities to be closed nationwide, the community banded together to address this crisis. As the single largest industrial facility in Clermont County, employing the largest workforce of any company in the community, the fate of this property would impact nearly everyone in the area.

When it became clear that the closure decision would not change, the Clermont County Board of Commissioners' focus turned to finding a new use for the facility. With the economy sliding into the Great Recession in 2007, the already scarce number of large single-user industrial projects virtually disappeared. The County focused on promoting the site to industrial redevelopers, or companies that would own the facility and lease out space to multiple users.

One such redeveloper, California-based Industrial Realty Group (IRG), saw the possibilities in this site. IRG has a successful track record of redeveloping over 30 million square feet in Ohio, including the redevelopment of a 3.8 million-square-foot Ford assembly plant in Lorain and redevelopment of a 2.1 million-square-foot Lockheed Martin facility in Akron. However, private lending sources were essentially frozen in 2007-2008 so IRG approached the Board of County Commissioners for assistance in securing public financing. The next pages detail the County's role in the financing structure of this project, the benefits to the community, and how this facility is being reused.

Community Benefits

SAFEGUARDING PUBLIC FUNDS

The Board of County Commissioners carefully considered the risks and benefits of injecting public funds into this project. With this building being the largest and most visible manufacturing structure in Clermont County, the risks associated with taking no action were great. No single-user tenants were seriously considering purchasing the property, and Ford Motor Co. expressed the intent to demolish the building for scrap value by the end of 2010. Action had to be taken to turn this negative situation into a win for the community, but with the proper safeguards in place.

CONDITIONS OF COUNTY PARTICIPATION

While the County's \$2 million ODR fund (see box at right for details) was held in escrow, it was invested in safe U.S. Treasuries and earned interest. Additionally, IRG paid \$10,000 annually to the County for the credit enhancement we provided.

IRG transferred 36.6 acres of land on either side of the building, with road frontage and SR 32 exposure, to the Clermont County CIC as a temporary form of collateral. Over a three-year period, starting in 2012, IRG was required to repurchase the land at a total price of \$333,000, which the County will be able to reinvest into other economic development efforts.

The Clermont County Transportation District received 7.4 acres of land at James Sauls Sr. Drive and Batavia Road for future improvements to the Batavia Road interchange at SR 32.

UPDATE – July 2015

With the purchase of more than 900,000 square feet of the facility by Huhtamaki, Inc. for \$7.6 million, the County's \$2 million has been returned by the State of Ohio. Additionally, 22 acres of land have already been repurchased as part of the Huhtamaki acquisition. For more information on the Huhtamaki project, please see "Results Now" on Page 4.

FINANCING STRUCTURE

The Ohio Department of Development (ODOD) provided a loan to IRG to purchase the facility and to make initial renovations. The loan was provided through the sale of bonds from the Ohio Enterprise Bond Fund (OEBF) program, which historically has only been used for owner-occupied building acquisitions, new construction, or for acquisition of machinery and equipment. The successful track record IRG had established in Ohio with similar redevelopment, plus the County's financial participation in the project, convinced ODOD to utilize the OEBF program in a new way.

A total of \$6.13 million in OEBF bonds were issued, of which \$4.49 million were tax exempt (fixed rate, 15-year term) and \$1.64 million were taxable (fixed rate, 5-year term).

The property was acquired by IRG for \$3.5 million, and \$2 million was included for building renovations that would be required for initial tenants.

The remaining bond proceeds were used for capitalized interest in the first year, contingency funds, and costs of issuance.

The Clermont County Board of Commissioners provided \$2 million in an Operating Deficit Reserve (ODR) fund as a secondary level of security for the project. Should IRG not make bond payments for any reason, a primary debt reserve would have been tapped first to cover one year of debt payments, followed by the ODR fund.

The ODR fund was held in an escrow account where it earned interest for the County. Additionally, IRG paid \$10,000 annually to the County as a fee while the ODR was in place.



Tomorrow's Workforce



UC EAST FACTS

The University of Cincinnati (UC) has identified this site as “UC East,” or the hub of a 25-year growth plan to extend Bachelor-level degrees to residents of Clermont, Brown, Adams, Highland, and Clinton counties.

UC has leased approximately 81,000 square feet of office space in the building with a right of first refusal on the remaining 55,000 square feet. Additionally, UC has an option to purchase all the office space and 25 acres of land around the building.

This facility is the first dedicated campus in Clermont County where residents will be able to obtain a Bachelor's degree. It will also provide a source of co-ops and new employees for companies leasing space in the remaining manufacturing space.

Initial programs offered were Nursing, Allied Health, Education, Criminal Justice, and Human Services. Other educational tracks are currently being evaluated.

IMPACT OF UC EAST

The UC East campus welcomed 800 students in September 2010, and currently employs approximately 100 faculty and support staff. Beyond the immediate impact of the new jobs and spending that will occur from activity at the site, the long-term benefit of increasing the number of County residents with college degrees is even more important. In 2012, 29.6% of residents age 25 or older in the Cincinnati Metropolitan Area had Bachelor's degrees or higher, while only 25.9% of Clermont County residents had the same educational attainment. To reach parity with the region, we would need approximately 5,000 more residents in the County to obtain at least a Bachelor's degree. This campus gives our community the tools to achieve the goal of a better educated workforce for current and future employees.

A new program offered first at UC East is the Bachelor of Technical and Applied Studies (BTAS) degree. It offers technical associate degree holders an opportunity to fulfill course requirements necessary to complete a bachelor's degree. The BTAS degree will offer technical specialists career advancement opportunities into supervisory positions, usually in a field where a technical background is essential to understanding the organization.

In 2012, UC East opened the new Advanced Manufacturing Program in partnership with Cincinnati Milacron. The 16-week certificate program, designed to train workers in advanced manufacturing skills and provide them with hands-on experience, tools and payment for their time, was conducted in newly-renovated space at the facility. The first 10 students graduated in January 2013 and were all hired by Milacron immediately. UC plans to expand this program to other area manufacturing firms.

*Data on employment and education trends obtained from Economic Modeling Specialists Intl., 2013.



Results Now

Engineered Mobile Solutions (EMS) was the first manufacturer to occupy space at the new facility. EMS is leasing approximately 100,000 square feet and currently employs 75, having more than doubled its workforce since moving into the facility. The company is a leader in the design and manufacturing of custom trailers for the military, broadcast, and commercial markets.

Huhtamaki, Inc. purchased over 900,000 square feet of the facility in 2013, committing to creating 237 jobs and investing over \$60 million in capital improvements. As of July 2015, over 260 jobs have been created. This location serves customers such as Nestle, Hershey and Starbucks, producing paper cups and distributing products made throughout the Huhtamaki network. Huhtamaki is also the manufacturer of the popular Chinet line of premium disposable tableware.

OIA Global began its Clermont County operations in June 2015. The company provides reliable freight forwarding and logistics solutions for major international companies, with a large portfolio of services including inland transportation, multi-modal capabilities and warehousing and distribution. OIA Global occupies 187,000 square feet and employs over 30 people at the facility.

Occupancy – October 2015

