DAYTON Dayton Area Chamber of Commerce

B2B BUSINESS TO BUSINESS

Advertising supplement to the Dayton Daily News

Entrepreneurs lead way in reviving Downtown Dayton

Phillip L. Parker
CAE, CCE president & CEO

Over the years, I have written a number of times about my perspective of our core city's downtown.

Sometimes I have been a bit too critical because I felt that the "game plan" wasn't working well enough. But quite candidly, much has changed over the last few years, especially as leaders started to focus more on attracting those who might want to live in the central business district using a residential niche marketing strategy.

Both residential and commercial strategies take time and resources, but what has been happening very recently with additional new residents moving downtown can and will pave the way for a stronger business reinvestment.

I can't let this article be published without giving a shout-out to businesses like CareSource, White Allen, Premier Health, Miami Valley Hospital, PNC, Huntington Bank, Fifth Third Bank, KeyBank, Chase and other banks and companies that have continued their commitment to downtown. And there are many others who deserve this recognition.

Lately we've seen and heard the news about the new Levitt Pavilion; Taylor Communications (formerly Standard Register) coming to downtown; the hopeful renaissance of our historical Arcade buildings; our region's new and very modern library; the RiverScape whitewater attractions; and so much more.

Dayton was just recently listed as one of the 25 best towns of 2017 for outdoorsy people by the national publication, "Outside Magazine," and much of their acknowledgements were aimed at places and events in or near our downtown. And each of these has been done with private investment encouraged most of the time with public support.

No offense to all those great aforementioned companies, organizations, businesses and leaders, but my heroes are those small business entrepreneurs who have taken some mighty risks by building speculative housing and market-driven apartments downtown.

Entrepreneur home builders like Charlie Simms, Jason Woodard, Greg Thompson and others have stuck their collective necks way out and put a stake in the ground by making a strong commitment to our core. And it's starting to show real signs of helping stimulate this revitalization of our urban center.

Sure, maybe it's not like some of you remember in the '60s and early '70s when there were thousands more working downtown and were out on the sidewalks each day.

When I came here in 1974, Dayton still had a pretty good buzz going downtown. It was, after all, one of the biggest cities in which a small-town kid like me had ever spent time.

But it takes time to reverse the trend that drove populations down in the '70s, '80s and '90s. Our latest trend may now be part of a cosmic shift; at least some of us think and hope so.

If you have lived in Dayton for 20 years or more, it may not seem like much has changed. But I assure you it has. This has been some of the best and greatest changes I've seen since the late 1970s.

And maybe with your energized support of housing, the arts, baseball, entertainment and businesses, this metamorphosis may continue in the right direction for a new age of business and community leaders and residents.

Maybe you've been to downtown for an event recently, but if you haven't now is a great time to re-engage in our core city.

There's plenty to see and do. You might even turn out to be one of those new trendsetters who think it's time for real urban living.

economic indicators

Sales Tax Collections

County	Current Rate	Mar 2017	Mar 2016	12 Mos Change	YTD 2017	YTD 2016	YTD Change
Butler	0.75%	$ 3,459,043	$ 3,570,065	-3.11%	$ 11,195,755	$ 10,938,137	2.36%
Clark	1.50%	$ 2,074,075	$ 1,973,267	5.11%	$ 6,593,491	$ 6,330,148	4.16%
Darke	1.50%	$ 701,931	$ 717,830	-2.21%	$ 2,215,926	$ 2,190,399	1.17%
Greene	1.00%	$ 2,039,079	$ 2,044,074	-0.24%	$ 7,025,687	$ 6,822,242	2.98%
Miami	1.25%	$ 1,390,097	$ 1,396,052	-0.43%	$ 4,577,283	$ 4,390,651	4.25%
Montgomery	1.00%	$ 6,374,132	$ 6,277,145	1.55%	$ 20,546,963	$ 20,255,455	1.44%
Preble	1.50%	$ 455,348	$ 438,974	3.73%	$ 1,486,350	$ 1,363,114	9.04%
Warren	1.00%	$ 3,022,747	$ 2,741,619	10.25%	$ 9,828,023	$ 9,376,149	4.82%
Region Total		**$ 19,516,453**	**$ 19,159,026**	**1.87%**	**$ 63,469,478**	**$ 61,666,295**	**2.92%**

Source: http://www.tax.ohio.gov/tax_analysis/tax_data_series/sales_and_use/publications_tds_sales/S1M0116.aspx

Residential Home Sales

	Mar '17	Mar '16	%Change	YTD '17	YTD '16	%Change
Number of Homes Sold	1301	1148	13.33%	3020	2823	6.98%
Total Home Sales	$194,785,740	$163,941,377	18.81%	$436,996,761	$371,495,995	17.63%
Average Sale Price ($)	$149,720	$143,808	4.11%	$144,701	$132,725	9.02%

Source: Dayton Area Board of Realtors, Dayton Area Home Sales for March 2017

CALENDAR OF EVENTS

Register for all events at DaytonChamber.org.

■ **Generation Dayton Professional Development,** July 27, 5:30-7:30 p.m., Aileron, 8860 Wildcat Road, Tipp City. Topic: exploring conscious leadership; speaker: Joni Fedders, Aileron

■ **Generation Dayton Social Event,** Aug. 3, 6:30-8 p.m., Dayton Art Institute, 456 Belmonte Park N., Dayton

■ **Breakfast Briefing,** Aug. 11, 7:15-9 a.m., Dayton Racquet Club, 40 N. Main St., Dayton. Topic: closing the skills gap; speaker: Dr. Jo Alice Blondin, Clark State Community College

■ **Safety Breakfast with the Experts,** Aug. 17, 7:30-9 a.m., Crowne Plaza Dayton, 33 E. Fifth St., Dayton. Topic: emerging workforce study and keeping your workforce safe; speaker: Patty Dunning, Spherion

■ **Insights for Women in Business,** Aug. 21, 4-6:30 p.m., Corner Kitchen, 613 E. Fifth St., Dayton. Topic: networking success; speaker: Amy Gantt, Lula Bell Art & Designs

■ **Generation Dayton Dragon's Game,** Aug. 23, 7-9:30 p.m., Fifth Third Field, 220 N. Patterson Blvd., Dayton. Topic: watch the Dragons from the Party Deck

CLOSER LOOK

U.S. firms ask extension of cotton subsidy

By Alan Bjerga
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U.S. lawmakers and rural businesses are arguing that a one-off subsidy meant to support cotton farmers should become a permanent fixture because of the aid countries including China and India provide to their own producers, according to letters sent to President Donald Trump Tuesday.

The so-called Cotton Ginning Cost Share Program gave producers $300 million last year to help them cover fiber-processing costs, with each farmer receiving $8,100 in aid, on average.

It was billed as a temporary measure to help producers who were battling lower incomes and receiving less government aid under the 2014 farm bill.

Subsidies were cut because of a World Trade Organization ruling against the U.S. cotton program, which lawmakers will need to tiptoe around while creating new aid. Still, farmers facing low prices need assistance because of how other governments help their producers, said House Agriculture Chairman Michael Conaway, who led 109 House lawmakers in signing the letter from that chamber.

"Cotton farmers have experienced three, four years of really hard times," Conaway said in an interview. "We've got to find a way to heal them up."

Similar letters were sent to the president by a group of 26 senators, cotton groups including the National Cotton Council, and more than 1,000 rural banks and businesses.

It's been a tough few years for U.S. farmers, with a worldwide glut of major crops.

The surpluses are curbing the outlook for American exports just as some farmers in the south move away from growing corn in favor of cotton, a trend that's boosting domestic production of the fiber.

U.S. cotton producers aren't projected to receive any government farm payments in the current fiscal year, according to a Congressional Budget Office estimate last month. That's tied to changes made in the last farm bill, approved in 2014, that drastically reduced subsidies as part of a settlement with Brazil over a World Trade Organization case the U.S. lost. In contrast, producers of corn, the biggest U.S. crop, may receive $4.2 billion in aid this year.

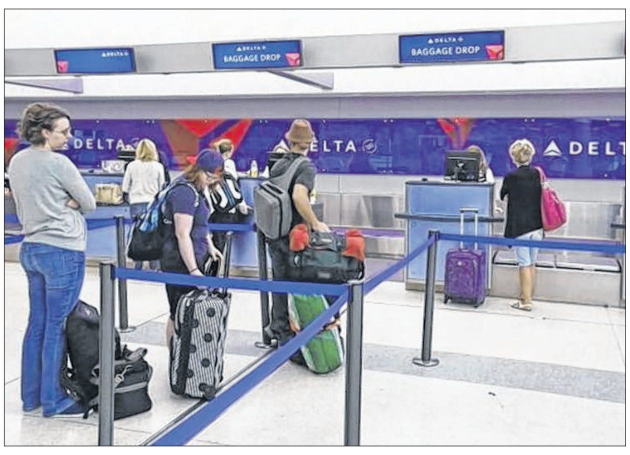
Globally, the fiber is a heavily subsidized crop, with 71 percent of world production receiving direct aid, according to a 2016 report from the International Cotton Advisory Committee.

Aid worldwide for the 2015-2016 marketing year was estimated at $7.2 billion, down from a record $10.7 billion the previous year, according to the study.

China is the world's biggest subsidizer, giving $5.3 billion in aid during that time, according to the report. India's aid is less direct, coming in the form of subsidies for farmers to cover fertilizer, electricity and other costs.

China has been cutting back on price supports over the past three years, reducing production incentives and creating opportunities for exporters including the U.S., Brazil and Thailand. Even with those changes, "the support still isn't zero," Conaway, a Texas Republican. said. "As long as that's out there, I don't want to force our folks to do without something in anticipation of what China decides to do or not do."

BUSINESS



United, Delta and American Airlines report billions in extra revenue, thanks to charges for baggage and in-flight food. FRED SQUILLANTE / THE COLUMBUS DISPATCH

CLOSER LOOK

Baggage charges, beverages a profit center for airlines

Added fees create extra revenue in addition to airfares.

By Marla Rose
The Columbus Dispatch

COLUMBUS — Airlines are turning a profit after years of losses and bankruptcies. One reason: they've become much more savvy about making money on checked bags and in-flight alcohol sales — things other than transportation.

A report released Tuesday by consulting firm IdeaWorks and travel technology firm CarTrawler, details how much some of the top U.S. and international airlines made in 2016 from non-ticket sales, commonly referred to as ancillary revenue.

And while most people think of fees for checked bags and extra legroom, this also includes the billions of dollars that airlines make from selling frequent-flyer miles to banks and individual travelers.

The top airlines in terms of sheer dollar amount of ancillary revenue were United Airlines at $6.2 billion, Delta Air Lines at $5.1 billion and American Airlines at $4.9 billion.

Southwest Airlines, which promotes the fact that it doesn't charge fees for bags or to change a reservation, was a distant fourth at $2.8 billion.

Southwest makes most of its extra revenue through its frequent-flyer program – largely from multimillion-dollar deals with credit-card companies, which then dangle points to lure customers to its cards. United and Delta made roughly half their non-ticket revenue through their frequent-flyer program. For American, the percentage was 43 percent. For Southwest, 80 percent came from frequent-flyer revenue.

Jay Sorensen, president of IdeaWorks, called Irish low-cost carrier Ryanair the grandfather of the ancillary-revenue trend, although some credit U.S. startup airlines such as People Express, which emerged in the post-deregulation days of the 1980s.

Short-lived Skybus Airlines used some elements of the Ryanair model, charging for bags and food 10 years ago, well before that became widespread in the U.S.

Ryanair is fifth on the list of world airlines ranked by the percentage of revenue that comes from ancillary sources.

Spirit Airlines is first at 46.4 percent, followed by Frontier at 42.4 percent and Allegiant at 40 percent. Each has increased its additional revenue up to 33 percent in just five years.

Frontier and Allegiant serve Columbus. Allegiant in particular specializes in selling hotel and vacation packages from which it also gets extra revenue.

Sorensen said the airlines are probably running out of new things to charge for, but he sees continued growth in these fees and charges thanks to tech-enabled targeting – adjusting fee prices based on demand, for example – and offering more bundled packages of extras such as early boarding, no change fees and included bag fees.

"Shopping for airfare is becoming more like shopping for food or a mobile phone plan," Sorensen said. "It's a lot of different bundled and a la carte pricing that can't really be compared apples to apples (to different airlines). You can't really know what the price of a shopping trip or a phone plan will be until you go through all the options."

Consumers often complain about the fees added in recent years, especially for bags. The airline industry counters that fares still are a relative bargain historically when adjusted for inflation and say that consumers will adjust as airlines go to a more rational pricing model.

"What the airlines have started doing is what other industries started doing decades ago," said John Heimlich, vice president and chief economist of trade group Airlines for America. "No one expects to get free popcorn and hot dogs at the ballpark. What happened here (in the airline business) is that things changed, and people don't like change."

Heimlich said the success of ultra-low-cost Ryanair shows that people want its product, even though they might grouse about extra fees.

"You don't grow quickly if you're unpopular," Heimlich said. "If that business model was disallowed, a lot of people around the world wouldn't be able to fly. 'Free' food and other things aren't really free."

Heimlich and Sorensen both said that the low-cost carriers keep pricing pressure on the major airlines, keeping fares more reasonable for all.

Sorensen pointed out that even when a consumer today gets a perk like free checked bags by using a certain credit card, someone is paying.

"There's a side deal between the airline and the credit card to pay for that bag," Sorensen said. "Ultimately, I think the consumer has benefited."