



VOICE OF BUSINESS

Small, minority business: Apply now for aid



Chris Kershner
President and CEO
Dayton Area Chamber
of Commerce

owner who was excited to get government assistance, or a business owner who wants to take advantage of programs meant to help those who are struggling. PPP, however, is funded by federal taxes your grandparents, your parents, you and your children have paid over multiple generations.

One of the most significant investments an employer will make is the investments made in the people who keep the company moving forward. PPP helps Dayton-area businesses preserve their investments in talent and workforce, ultimately positioning these businesses to emerge strong in a post COVID-19 world.

As the voice of business in the Dayton region and the unapologetic advocate for the employers who drive our region's economy, the Dayton Area Chamber of Commerce has a responsibility to ensure every eligible business has the opportunity to apply for federal COVID-19 assistance for their employees. This once-in-a-lifetime Payroll Protection Program aid package will close for businesses on March 31.

Business owners and employers yearn to create revenue and commerce through capitalism and free enterprise. This is the model the American economy has always used to drive sales, consumers and business development opportunities. As such, I've never met a business

Don't forget, assistance available through PPP is not only intended to help offset losses and impacts of the past year; it also helps preserve your future workforce and prevent business losses in the future.

Your company and employees may have not been economically impacted by COVID-19 yet, but we don't know what the future will hold. We could have a delayed economic downturn that impacts multiple business

Residential Home Sales

	Dec '20	Dec '19	%Change	YTD '20	YTD '19	%Change
Number of Homes Sold	1448	1291	12.16%	17,283	16,625	3.96%
Total Home Sales	\$289,114,444	\$224,396,006	28.84%	\$3,402,979,256	\$2,944,065,136	15.59%
Average Sale Price (\$)	\$199,665	\$173,816	14.87%	\$196,897	\$177,087	11.19%

Source: Dayton Area Board of Realtors, Dayton Area Home Sales

Sales Tax Collections

County	Current Rate	December 2020	December 2019	12 Mos Change	YTD 2020	YTD 2019	YTD Change
Butler	0.75	\$4,155,323	\$3,922,131	5.95%	\$45,012,790	\$45,168,341	-0.34%
Clark	1.5	\$2,356,970	\$2,168,620	8.69%	\$27,572,741	\$25,854,322	6.65%
Darke	1.5	\$816,968	\$786,784	3.84%	\$9,708,456	\$9,105,251	6.62%
Greene	1	\$2,575,052	\$2,573,605	0.06%	\$29,074,878	\$28,764,823	1.08%
Miami	1.25	\$1,776,652	\$1,619,636	9.69%	\$20,832,045	\$18,879,886	10.34%
Montgomery	1.25	\$8,638,786	\$8,536,789	1.19%	\$103,030,917	\$99,840,874	3.20%
Pleble	1.5	\$534,479	\$525,114	1.78%	\$6,380,088	\$5,864,605	8.79%
Warren	1.25	\$4,772,181	\$4,611,401	3.49%	\$55,760,836	\$54,942,319	1.49%
Region Total		\$25,626,411	\$24,744,079	3.57%	\$297,372,750	\$288,420,421	3.10%

Source: https://tax.ohio.gov/wps/portal/gov/tax/researcher/tax-analysis/tax-data-series/publications_tds_sales

sectors long after the initial COVID-19 threat has been eliminated.

During the last year, local financial institutions have distributed more than \$2.8 billion in PPP assistance to Dayton-area companies. These financial institutions are bending over backwards to quickly connect businesses with funding they need to push forward, including navigating PPP.

We know minority- and women-owned businesses have been historically underserved, and the chamber and our financial service partners are also working hard to fill gaps and ensure these businesses are getting the assistance they need. This is the time to apply and protect your business and employees now and in the future.

In the history of my ten-

ure at the Dayton Area Chamber, the task undertaken by our financial institutions is one of the most impressive examples I've seen of competing organizations working together, referring one another and collaborating to serve our business community. Our banks and credit unions have escorted countless businesses through the federal PPP process. We truly could not have done

it without them. They deserve our thanks.

The economy is reopening, and it's reopening fast. Employers that have a strong team who weathered the COVID-19 storm and protected their financial interests have already hit the ground running.

Chris Kershner is the president and CEO of the Dayton Area Chamber of Commerce.

DAYTON AREA CHAMBER OF COMMERCE CALENDAR OF EVENTS

- Register for all events at DaytonChamber.org.
- IN-PERSON: **Talent 360**, Wednesday, March 31, 8:30 a.m. to 1:30 p.m., Marriott at the University of Dayton, 1414 S. Patterson Blvd., Dayton. Topic: Employer/HR Networking, Hot Topics, Best Practices
- IN-PERSON: **Government Affairs Breakfast**, April 6,

- 7:30 to 9 a.m., Marriott at the University of Dayton, 1414 S. Patterson Blvd., Dayton. Speaker: Ohio Senate President Matt Huffman
- VIRTUAL: **Executive Women's Council**, April 14, noon to 1 p.m. Topic: The Value of Employee Engagement. Speaker: Anita Emoff, chairman & owner, Boost

Engagement

- VIRTUAL: **Safety Breakfast with the Experts**, April 15, 8 to 9 a.m. Topic: Navigating Workplace Safety in the Face of the Opioid Crisis. Speaker: Jennifer Harrison, partner-in-charge, Taft/

Woolpert has new investment partner

By Thomas Gnau
Staff Writer

Woolpert, an architecture, engineering and geospatial firm, announced that a New York-based limited partnership, MSD Partners, has agreed to invest in the company, with a previous investor exiting its position.

Financial terms of the transaction were not disclosed.

The investment is a step on the company's journey to becoming a billion-dollar business in terms of revenue,

said Scott Cattran, Woolpert's president and chief executive.

"The vision we set for our company in 2015 was to become the premier global AEG and one of the best companies in the world," Cattran said in a release Wednesday. "Since then, Woolpert has been designated as a 'great place to work' for five years in a row and doubled in size, adding multiple offices across the United States, Canada and Africa."

Based in Beavercreek with more than 1,100 employees nationwide, Woolpert is a

global provider of architecture, engineering, geospatial and strategic consulting services to public and private clients.

Said Cattran: "The future is incredibly bright for Woolpert clients and employees, and I look forward to sharing our continued story of success."

"Woolpert fits seamlessly with MSD Partners' strategy of partnering with talented management teams and investing in companies which are stable, well-positioned in attractive markets

and poised for continued growth," Kevin Brown, co-head of MSD Partners' Private Capital Group, said in the same release.

"We have been extremely impressed by the Woolpert platform and we are excited to partner with Scott and team in the next phase of their continued success," added Chris Bertrand, a managing director in MSD Partners' Private Capital Group.

In connection with the transaction, Long Point Capital will exit its investment in the company. In late



Woolpert is based in Beavercreek with more than 1,100 employees nationwide. LISA POWELL / STAFF

2017, Woolpert completed a minority recapitalization with Long Point Capital.

Woolpert and Long Point Capital were advised by Lincoln International and

Houlihan Lokey, with legal support provided by Ropes & Gray LLP. Kirkland & Ellis LLP provided legal support to MSD Partners on the transaction.

Price hikes

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vehicles were available.

Compounding the shortage, rental car companies and other fleet buyers – normally a major source of used vehicles for dealers – have been selling fewer now. With travel down and fewer people renting cars, the fleet buyers aren't acquiring as many new vehicles, and so they aren't off-loading as many older ones.

"It's like a weird perpetual motion machine right now with pricing," said Jeff Goldberg, general manager of Goldie's Motors, a used vehicle dealership in Phoenix.

Charlie Chesbrough, senior economist for Cox Automotive, predicted a tight used-vehicle market with high prices for several more years.

"There are millions fewer used vehicles that are going to be available starting next year, 2022 and 2023," he said.

The resulting price spike essentially has created three classes of auto buyers: Those affluent enough to afford new vehicles, people who can afford late-model used cars, and buyers with low incomes or poor credit who are stuck with older, less reliable vehicles.

The industry is still trying to recover from the pandemic's devastation last spring. The resulting factory closures

shrank output by 3.3 million vehicles. Sales temporarily dried up, and so did the influx of trade-ins.

Once the factories restored production in May, demand turned hot. Problem was, the supply of vehicles fell well short of demand, especially for pickup trucks and SUVs. Prices surged. And new-vehicle purchases for the year tumbled – by nearly 2.5 million to 14.6 million.

When Larry Parsons of Hartland Township, Michigan, went to buy a pickup truck in August, the question of whether to buy new or used was unfortunately an easy one.

"We did look at new trucks, but the price is excessive," he said. "Some trucks cost upwards of \$70,000. It's to the point where it's ridiculous."

Instead, Parsons settled on a 2019 Ford F-150 with 29,000 miles on it. The truck, priced at \$52,000 when new, cost \$37,000. He also bought an 84-month warranty to cover the vehicle while he is still making loan payments.

To be sure, vehicle prices had been rising well before the pandemic struck, with many buyers choosing loaded-out trucks or SUVs and taking on loans of six years or more to keep their payments low. Even so, used prices had remained relatively low, with an ample supply of 3 million-plus vehicles returning to the market each year from leases.



A chain reaction touched off by the pandemic has pushed new-vehicle prices to record highs and dramatically driven up the cost of used ones. MIKE HOUSEHOLDER / AP

Then the virus hit. With it came government stimulus checks, which many buyers used as down payments. Because they weren't spending on restaurants or vacations, some people spent even more on vehicles than they otherwise would have.

"If I'm going in at \$40,000, I might as well spend \$45,000," Drury said of buyers. "I might as well treat myself."

Even with loans of more than 60 months, average monthly payments range into the mid-\$500s for new vehicles, putting them out of reach for many. Right now, said Chesbrough, the Cox Automotive economist, the bulk of the growth in the new-vehicle market is in the \$50,000-and-above range.

In recent years, automakers had set the stage for higher prices by scrubbing many lower-priced new vehicles that had only

thin profit margins. Starting five years ago, Ford, GM and Fiat Chrysler (now Stellantis) stopped selling many sedans and hatchbacks in the United States. Likewise, Honda and Toyota have canceled U.S. sales of lower-priced subcompacts. Their SUV replacements have higher sticker prices.

"The industry has been abandoning that \$30,000-and-below price point," Chesbrough said. "Essentially, they've been forgoing that territory to the used car market."

The increased demand and higher prices for late-model used cars have spelled trouble for lower-income buyers, noted Art Ramos, who runs a used-vehicle store in McAllen, Texas, near the Mexico border. Unemployed people who were receiving jobless aid during the pandemic have had trouble securing a loan. Those who can buy typically

have to look at much older vehicles with significant miles on them.

"All the people who were unemployed for all these months – I couldn't get them approved," he said.

When lower-income buyers are able to get loans, they typically must pay higher rates – sometimes over 20% with some lenders, Ramos said.

Yet because many buyers have no other options, older vehicles with more than 100,000 miles on them are in high demand now, said Ryan LaFontaine, CEO of a 20-dealer chain in Michigan that includes two used-only stores.

In the past, dealers wouldn't have bothered with those trade-ins; they would have sent them to regional auction houses. But auto quality has sharply improved in the past decade. So LaFontaine's group is reconditioning such cars and providing credit counseling for buyers with lower incomes or poor credit.

"Every year, we increase our ability to cost-effectively recondition vehicles that we can present to consumers and stand behind it," said Mike Jackson, CEO of AutoNation, the country's largest dealership group.

Dealers say competition for used vehicles, especially from upstart online auto sellers Carvana and Vroom, contributed to the price increases with bidding

wars at auctions. Still, Jackson argues that autos remain affordable because consumers are typically receiving more money for their trade-ins. Interest rates remain low, too. New-vehicle loan rates not subsidized by automakers are averaging 4.4%, according to Edmunds, while used loans average 7.8%. Average prices did subside a bit in January. But that might be deceptive, said Edmunds' Drury. Fewer expensive new and used luxury vehicles were sold during the month, he said, thereby temporarily lowering overall prices.

Those on the front lines say competition for vehicles is intensifying as dealers stock up for buyers who may soon receive additional government stimulus checks and income tax refunds.

In the meantime, a global shortage of computer chips for vehicles is forcing automakers to reduce production. The chip shortage could potentially diminish the supply of vehicles once again, which, in turn, would likely send new and used prices up further.

Unaffordable prices might open the door to a company that could profit on low-priced new cars with just basic features. That, Chesbrough notes, is what the Korean automaker Hyundai did to enter the U.S. market decades ago.

"I do think the industry does make itself kind of vulnerable," he said.