

# The Columbus Dispatch

dispatch.com

## Columbus fares well in ability to attract jobs

By Dan Gearino *The Columbus Dispatch* • Tuesday December 27, 2016



Columbus metro area is among the less expensive options popular among manufacturers for building or relocating factories, according to a recent study.

If a manufacturer is thinking of relocating or opening a new plant, there is a good chance the company is looking at central Ohio.

The region has an enviable combination of moderate costs and a strategically important location, according to an analysis by the Boyd Company, a national site-selection consultant.

But Columbus is competing with places that can make their own strong cases.

“This study establishes Columbus as one of the top markets in the country for advanced manufacturing,” said John Boyd, one of the principals at the New Jersey-based company. “By the numbers, it’s a low-cost, pro-business market.”

He was in town last month to meet with local clients, and shared some of the data he was showing them about how central Ohio’s costs compare with 23 other regions.

His firm came up with estimates to operate a hypothetical manufacturing plant with 500 employees.

The Columbus metro area has the 16th-highest costs out of 24, putting the region on the affordable side with estimated annual costs of \$34.5 million.

The most expensive region listed is San Jose and Silicon Valley, with \$42.5 million. The least expensive is Eastern Ontario in Canada, with \$28 million. In this case, Eastern Ontario refers to an area that is several hours’ drive east of Toronto, and includes the city of Belleville.

Why did Boyd Company select these 24 regions? Boyd says these are the regions his clients have been most likely to ask him about in recent years. It excludes many areas, such as most of the New York metro area, and nothing in Mexico.

“These are the 24 hottest markets in the country now,” he said.

Cleveland, which is the only other Ohio region listed, is slightly more expensive than Columbus, with \$35.6 million. The difference is almost all because manufacturing workers have slightly higher pay in Cleveland, the report says.

One big asset for Columbus and Cleveland is low natural gas costs compared with other regions, according to the report.

Access to inexpensive natural gas has been one of the reasons that Pickaway County, just south of Columbus, has been able to attract some big projects, said Ryan Scribner, director of Pickaway Progress Partnership, an economic development office.

Several companies are building near major gas pipelines, including Sofidel, an Italian tissue maker.

The pipelines are “full of an endless supply of below-market natural gas coming from eastern Ohio and western Pennsylvania,” Scribner said.

He is used to selling the Columbus region to companies by talking about how much of the country’s population is within a one-day drive, and how the costs to operate are lower than most other places with such a strategically important location.

Those features are familiar to Boyd, who has worked with companies that chose to come to the region or already have a presence. Among his current or former clients is Honda, which has several plants in the region.

The Columbus area is often competing with parts of Indiana, which have similar advantages in location and costs.

The only Indiana metro area in Boyd's report is Lafayette in the northwest part of the state, with estimated annual costs of \$34.5 million, which is almost the same as Columbus.

It is not easy to improve a region's standing in the eyes of prospective employers. Often, the things a manufacturer is seeking are not things that residents necessarily want, such as low pay and state laws that tend to favor employers over workers.

Despite this, Boyd points to several ways in which Ohio has made itself a better candidate to attract companies. He says the state has strong job-training programs, and is regarded as having an employer-friendly state government.

"We give (Gov.) John Kasich high marks in a number of areas," he said.