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An Economic Development Strategy for the Community of Waynesville in a Dynamic Regional Setting

Zhongcai Zhang
Wright State University - Main Campus

Jeffrey S. Smith
Wright State University - Main Campus

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AN ECONOMIC DEVELOPMENT STRATEGY FOR THE COMMUNITY OF
WAYNESVILLE IN A DYNAMIC REGIONAL SETTING

A thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Science

By

ZHONGCAI ZHANG
B.A., Hangzhou University
M.A., Hangzhou University

and

JEFFREY S. SMITH
B.A., University of South Carolina

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Wright State University

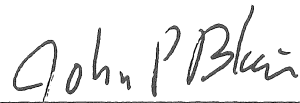
WRIGHT STATE UNIVERSITY
SCHOOL OF GRADUATE STUDIES

Feb 95

I HEREBY RECOMMEND THAT THE INTERNSHIP THESIS PREPARED UNDER MY SUPERVISION BY Zhongcai Zhang AND Jeffrey Stewart Smith ENTITLED AN ECONOMIC DEVELOPMENT STRATEGY FOR THE COMMUNITY OF WAYNESVILLE IN A DYNAMIC REGIONAL SETTING BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Science.



Robert Premus, Ph.D.
Faculty Supervisor



John Blair, Ph.D.
Faculty Reader



Roger Sylvester, M.S.
Director, M.S. in Economics

EXECUTIVE SUMMARY

The Waynesville community is noted for its antique shops, good schools and high quality living environment. The Community is located in Warren County, Ohio. This report explores the opportunities and challenges of developing and implementing a strategic plan for coordinated economic development of the Community.

The study examines economic trends and community locational attributes to help detect economic opportunities the community could exploit. A focus group session with business leaders helped to pinpoint economic development opportunities. Citizens input into shaping the focus of a development strategy was obtained by a telephone survey of 140 randomly selected local residents. The sample size is sufficient to provide statistical validity at the 90 percent level of confidence.

An analysis of economic trends revealed that the Waynesville Community resides in a rapidly growing subregion in Southwest Ohio. Warren County was found to be the second fastest growing county in Ohio in the 1980 - 1990 time period. High growth sectors, relative to the growth in surrounding counties, include the wholesale trade, retail trade, services and manufacturing sectors. The share of jobs in manufacturing in Ohio and Warren County increased significantly since the early 1980's. Within Warren County, the communities of Mason, Springboro, Deerfield Township and Lebanon exhibited much faster growth than the Waynesville Community area. Our focus group discussion with business leaders suggest that the comparatively slower growth of the Waynesville Community reflects a deliberate preference for protecting the quality of the community environment.

A citizens telephone survey, in which 140 people participated, revealed that the local populace is strongly opposed to uncontrolled economic growth. The overriding fear was that excessive growth, unless carefully planned, would destroy the "small town" ambiance of the

community. Most residents in the survey indicated a preference for a controlled economic growth policy directed by a coalition of business leaders, public officials and citizens.

There was a strong preference for an industrial park setting coupled with strategic infrastructure improvements, including widening Route 73 and upgrading Main Street by installing park benches, improving park areas and other infrastructure improvements.

The fiscal analysis section of the report attempted to provide an indication of the probable fiscal consequences of a no growth policy. A no growth policy is defined as a hypothetical case whereby there will be no future increase or decrease in the Community's industrial and commercial tax base, yet residential population growth will continue at projected rates. Projections of population growth were forecast to the year 2010 based upon the best available evidence. The analysis indicated that growth in the residential property tax base will be insufficient to generate sufficient tax revenue to provide the needed public services to the projected population at current property tax rates. The average value of new homes needed to generate sufficient revenue to provide current levels of public services to the new residents, the break-even point, was calculated to be approximately \$165,000. This is well above the median value of homes in the area as \$80,000.

One way to avoid the pending fiscal pressures to raise property tax rates on all residents would be to foster an environment that would allow for selected expansion of the industrial and commercial property tax base. The study identified professional services, light manufacturing and wholesale/retail trade as high potential prospects for the Community.

The report concludes with a discussion of policy options and recommendations for a controlled economic growth policy for the Waynesville Community. The main recommendations are for the Waynesville Community to establish a coalition committee to monitor and selectively recruit future industrial and commercial businesses. This committee should identify a location for a commercial/industrial center to offer a predetermined spot for future businesses. The committee would use promotional literature to attract potential businesses. Improvements to the infrastructure could be pre-negotiated and consideration

given to the use of tax abatements which would be designed to maximize the attractiveness of the Community to prospective businesses.

ABSTRACT

Zhang, Zhongcai. M.S., Department of Economics, Wright State University, 1995. An Economic Development Strategy for the Community of Waynesville in a Dynamic Regional Setting.

Smith, Jeffrey Stewart. M.S., Department of Economics, Wright State University, 1995. An Economic Development Strategy for the Community of Waynesville in a Dynamic Regional Setting.

The Waynesville Community has been experiencing a significant growth in population, combined with a loss in tax revenue due to a judicial ruling on a local business. This project examined various economic, demographic and statistical indicators, as well as initiating a community attitude survey, to help the governing bodies of the Waynesville Community make tough decisions concerning economic growth now and in the future.

This internship combined the results of the collated citizen's opinions with economic data and economic literature to develop tools to allow the council to implement a growth plan. All economic data, survey results and literature references are contained in this study.

The Community of Waynesville needs to develop a consensus opinion on which direction the Community will follow. Specifically, will the Community continue with the status quo, trying to resist further change, or will the Community adapt itself to mature into the town it will inevitably become? Specific recommendations are proposed in this paper which are the culmination of all the research efforts previously mentioned. Waynesville Community needs to establish an industrial/commercial center, prepare adequate infrastructure plans, and form a coalition within the Community to support such a growth plan, while maintaining the current Main Street tourist attraction.

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I. Introduction

The fundamental objective of this project is to identify an economic development strategy for the Waynesville Community. Specifically, the project purports to answer the following three questions: 1) Does the Waynesville Community need a development strategy? 2) If so, what is the most appropriate development strategy for the community? and 3) How should the development strategy be translated into a feasible action plan? The purpose of our project is to assist community developers, planners, business leaders, and other officials in making informative decisions regarding the development of the community.

Throughout this report, the term "Waynesville Community" is employed to denote the combination of the three sub-communities: the Village of Waynesville, the Village of Corwin, and the Wayne Township. This is done to facilitate the discussion of growth in the community. The treatment of the three sub-communities as a unified identity emphasizes that the three separate municipal entities share more common interests than differences in terms of social and economic well being within the Wayne locality.

Analysis of historical and development trends in the Waynesville Community was conducted because it forms a basis for future economic development. An analysis of historical growth patterns also plays an indispensable role in the formulation of a development strategy for the Waynesville Community. Throughout this report, our research is constantly guided by relevant economic principles. These principles are highlighted at appropriate places in the report.

Future economic development of the municipality should concern every resident of the Waynesville Community. In the study, the citizen's attitudes towards economic development are a major input in the identification of a development strategy appropriate for the community. To get an accurate crosssection of public opinion on economic development issues confronting the Waynesville Community, we polled the citizens of the sub-communities by using a controlled, stratified sampling process to assure statistical accuracy.

In Chapter II, we analyze economic development trends and patterns to help qualify the economic potential of the Waynesville community. The discussion focuses on the economic

development trends of Warren County and its neighboring counties. Chapter III identifies economic development trends among communities within Warren County. Our objective is to present a historical perspective of growth in Waynesville and its surrounding communities, including the most recent development trends. Chapter IV reviews various economic studies on the causes of small town economic growth. This review emphasizes the economic literature that applies to small town growth. As stated, the economic principles of small town economic growth identified in this chapter are employed throughout this report. Chapter V discusses the results of the citizen's survey on community development. The citizens survey was based upon a telephone sample of 140 Waynesville Community residents who were selected randomly to participate in this study. The results of the survey are presented in Chapter V. The results of a focus group discussion with area business leaders are also presented in Chapter V. Chapter VI presents a forecast of population growth of the Waynesville Community. This was developed to get a snapshot of future residential growth, and the possible fiscal impacts as a result of this growth. Chapter VII presents the fiscal implications of future growth. Finally, Chapter VIII concludes the study with a summary of the findings and a discussion of our recommendations of an economic development policy strategy for the Waynesville Community.

II. Economic Development Trends in Warren and Its Neighboring Counties

Community economic development can either be initiated and controlled from within or it can be spurred by the external environment. However, first and foremost, ongoing economic development trends driven by market forces in a macro context will, to a greater degree, dictate the growth level and pattern for communities within a certain context. As the national economy is greatly influenced by the international economy and the regional economy by the national economy, small community economic growth is largely shaped by the regional development trends in which it is located. In this chapter we examine the performance of the Waynesville area economy within the context of economic development trends in Warren County and its neighboring counties.

Typically, employment trends established for a small economy, such as a county, will prove somewhat representative of the larger regional context in which it is located. In the case of Waynesville Community, there is some question as to which county it actually mirrors in its behavior. The Waynesville Community is located in the upper northwestern corner of Warren County. Waynesville is bordered on the north by Montgomery County. In fact, Waynesville is sometimes referred to by the residents of Waynesville as a bedroom community to Dayton proper. Our approach was to compare the employment characteristics of Warren County with the following Counties; Greene, Hamilton, Clinton and Montgomery. We also make comparisons between Warren County and the State of Ohio's economy.

To calculate the employment trends, we gathered data from the Ohio Bureau of Employment Services from 1971 through the Third Quarter of 1993. Our purpose was to identify established trends in wages and employment. Charts 1-14 present the employment data starting in 1971. They also present yearly percentage changes from 1981 through third quarter 1993. Note that the employment statistics after 1991 do not delineate between wholesale and retail trade. Therefore, to compute employment for these industries, we applied the historical ratio of wholesale trade jobs to retail trade jobs. So, employment trends for these sectors, after 1991, are approximations.

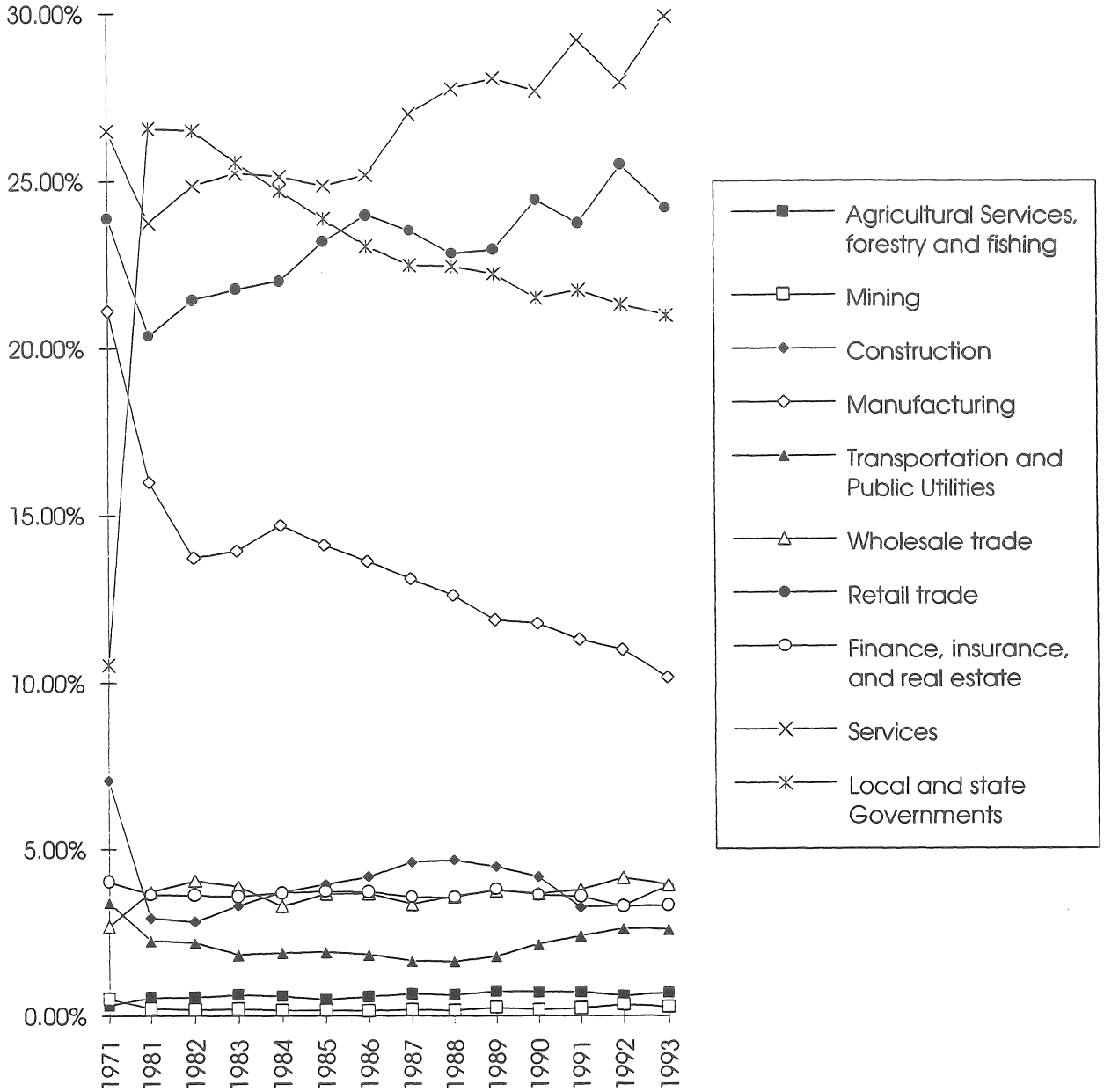
Charts 1-6 present employment for each industry as a percentage of total employment for the area. The public utilities, agriculture and mining sectors were not considered for our analysis. These sectors are largely beyond the control of local governing bodies to attempt to attract to the region. One of the most significant findings is that only the services and retail trade sectors show signs of increasing their representative percentage of total employment in all five Counties. Evidence of this trend is further revealed when examining the employment trends for Ohio's economy. For Ohio, only the services sector exhibited a rising share of employment, growing from approximately 15% of total employment to approximately 27% of total employment. All other industry sectors, for the State of Ohio, maintained their historical employment ratio, with the exception of manufacturing. Manufacturing in Ohio declined from 40% of total employment to approximately 23% of total employment.

The trend of declining manufacturing employment is evident in all of the Counties presented in this study except for Warren County. In Warren County, at the end of 1971, manufacturing represented 27% of total employment. By 1982, manufacturing had dropped to a low of 16%, and then began to climb again. As of the Third Quarter of 1993, the manufacturing sector accounted for 21% of total employment for the county. The data indicates that Warren County is more competitive than the other counties in attracting and maintaining manufacturing employment. Jobs in the manufacturing sector are also the high wage jobs. A recent study of the significance of the manufacturing sector to the growth of small towns and regional centers in the State of Illinois suggests that communities with a large manufacturing base also have high income growth. After performing multiple regression tests, the researchers concluded that for every percentage point of manufacturing's share of total jobs above the employment mean, annual median family income increased by \$226. This suggests that a strategy to take advantage of the expanding manufacturing job base in Warren County would be prudent for the Waynesville Community.

The retail trade sector in Warren County also increased its percentage of total Warren County employment. As of 1971, the retail trade sector represented 22% of total employment; it now represents roughly 27%. Waynesville, famous for its antique shops and tourism industry, is a

perfect example of this trend. Unfortunately, growth in retail jobs has a lower income effect. The percentage wage growth in the retail sector has lagged behind all other sectors except the agriculture and financial services sectors. In terms of absolute wage rates, retail trade is one of the lowest paying sectors out of the 10 industry categories. Service sector jobs are also rising as a percentage of total employment in all of the Counties except Warren County. The service sector has also been a source of relative job growth at the state and national levels. Service sector jobs are traditionally lower wage jobs, similar to retail jobs. These sectors may be appropriate to target if the type of job growth desired is more for secondary income. However, these jobs may not be appropriate targets for a strategy to attract high wage jobs to the community. Charts 1 through 6 provide a visual graph of the trends which were just discussed.

Percentage of Total Employment for Greene County



Source: Ohio Bureau of Employment Services

Chart 1

Percentage of Total Employment for Hamilton County

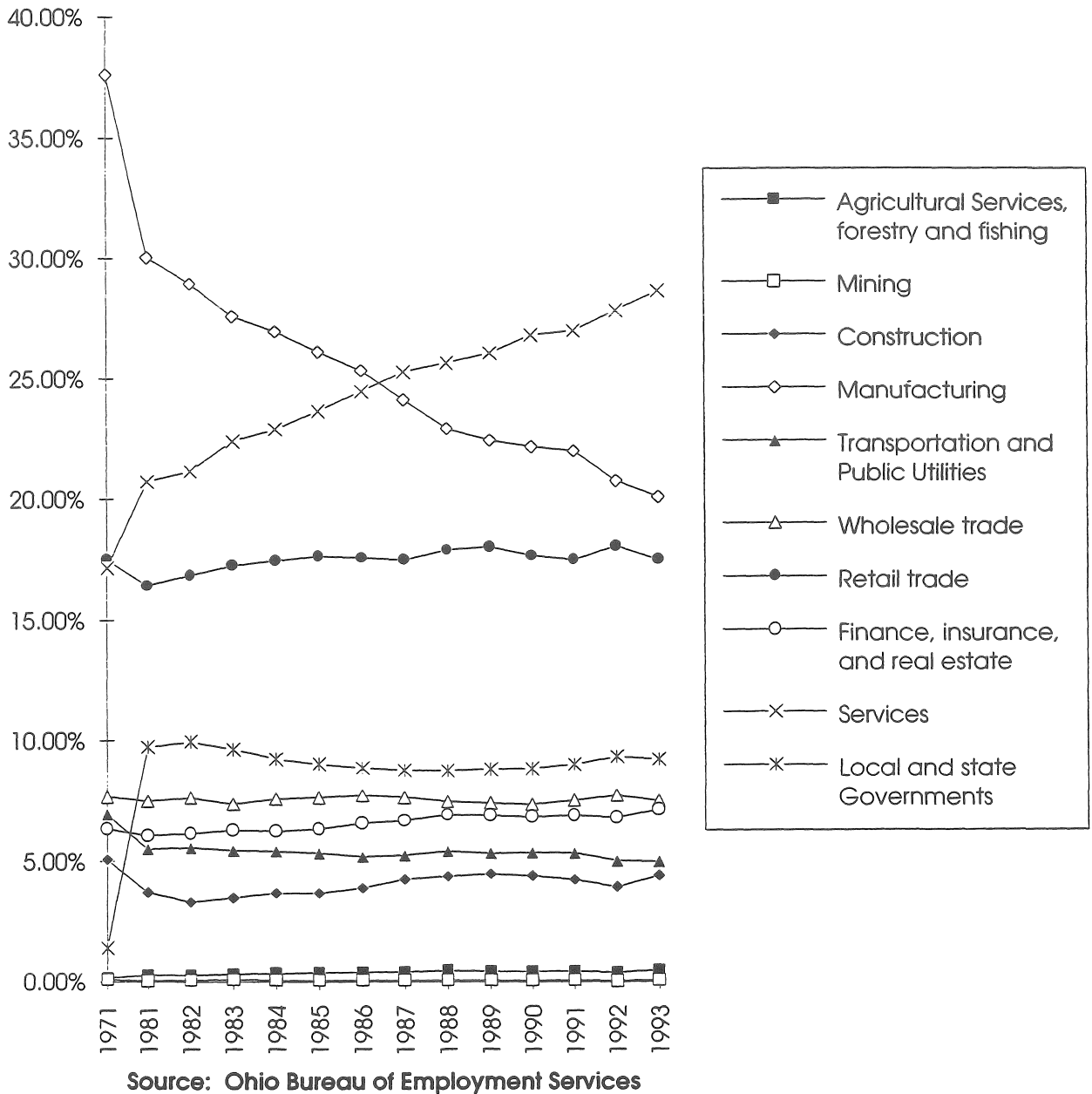
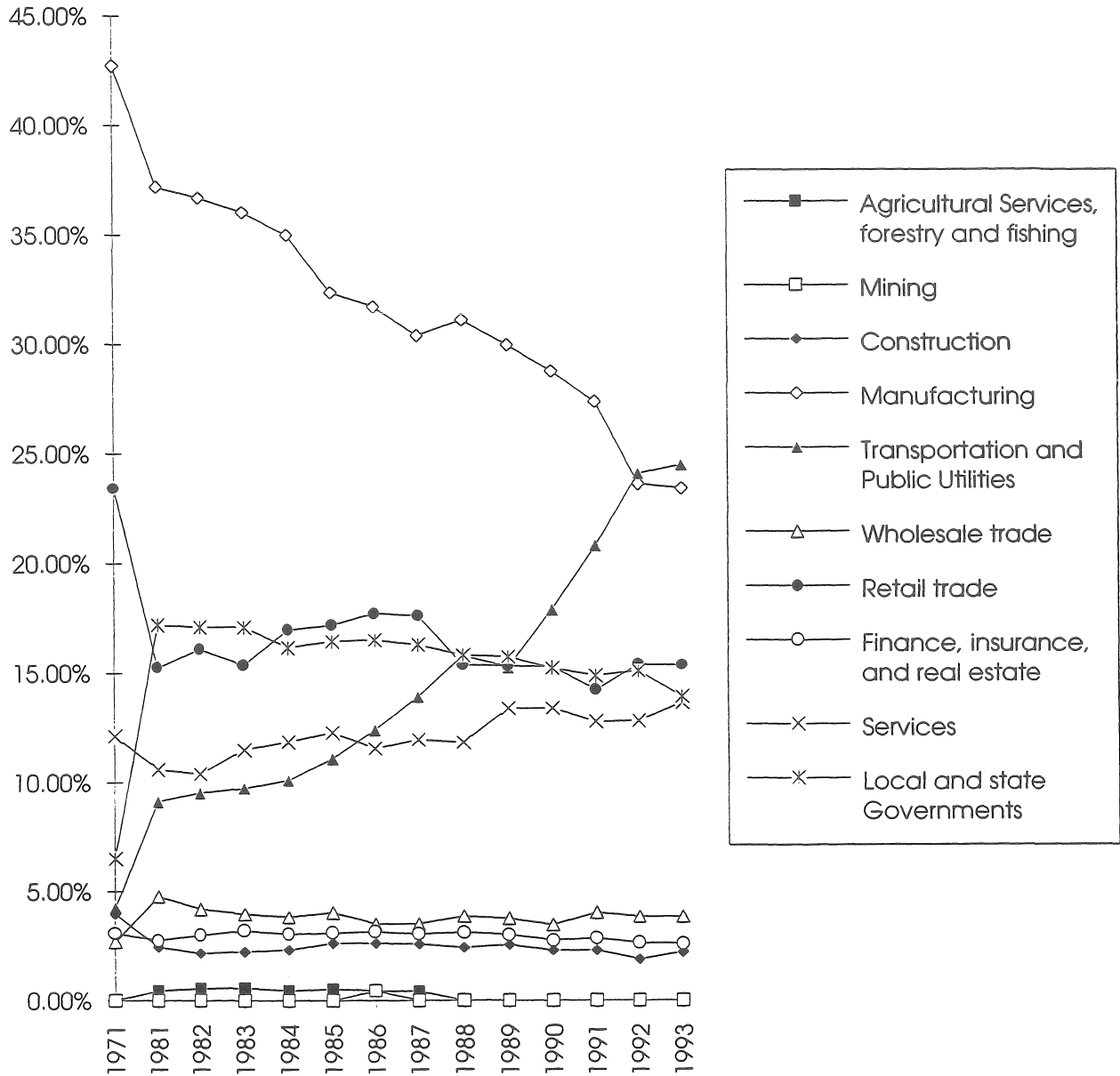


Chart 2

Percentage of Total Employment for Clinton County



Source: Ohio Bureau of Employment Services

Chart 3

Percentage of Total Employment for Montgomery County

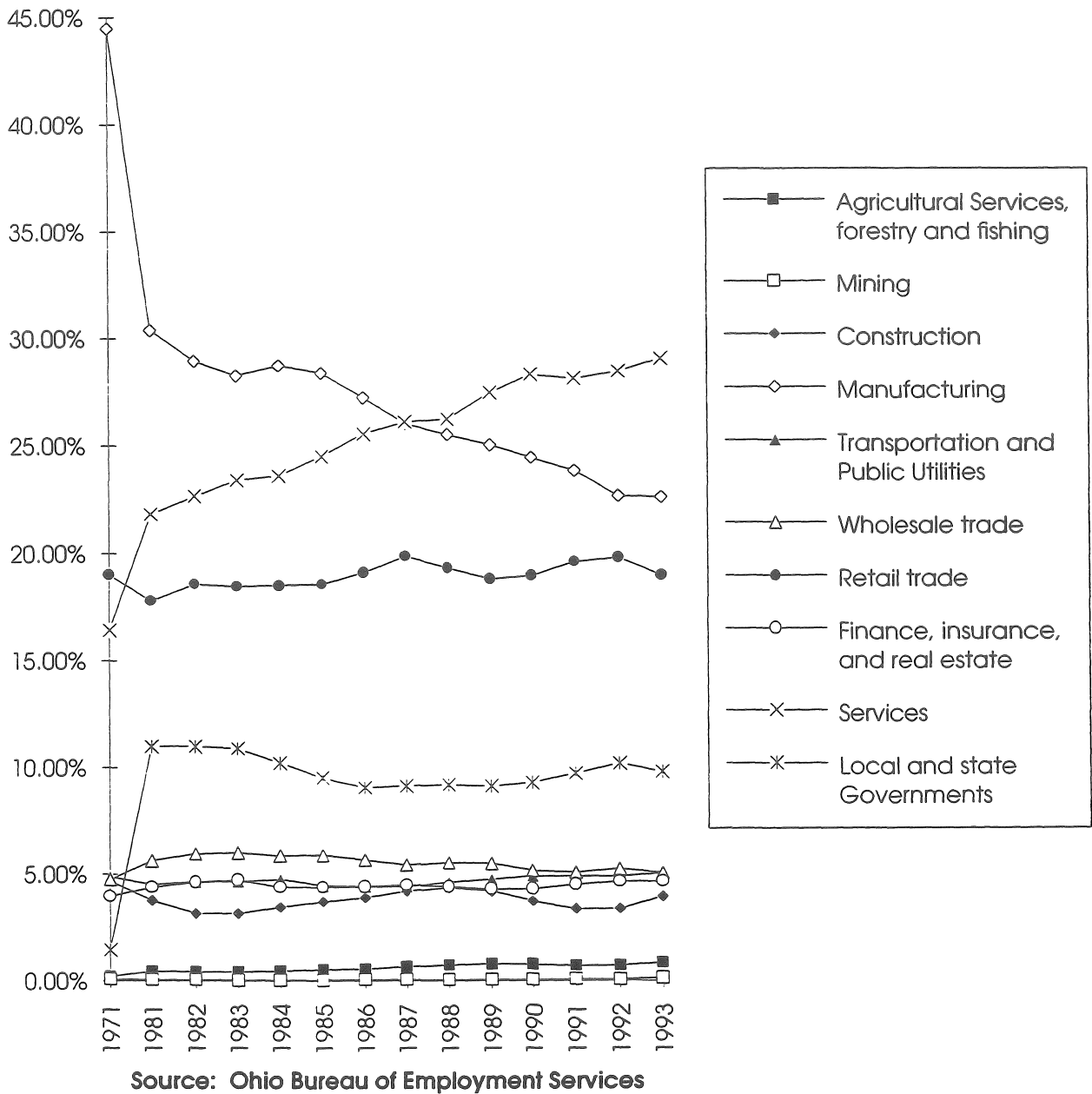
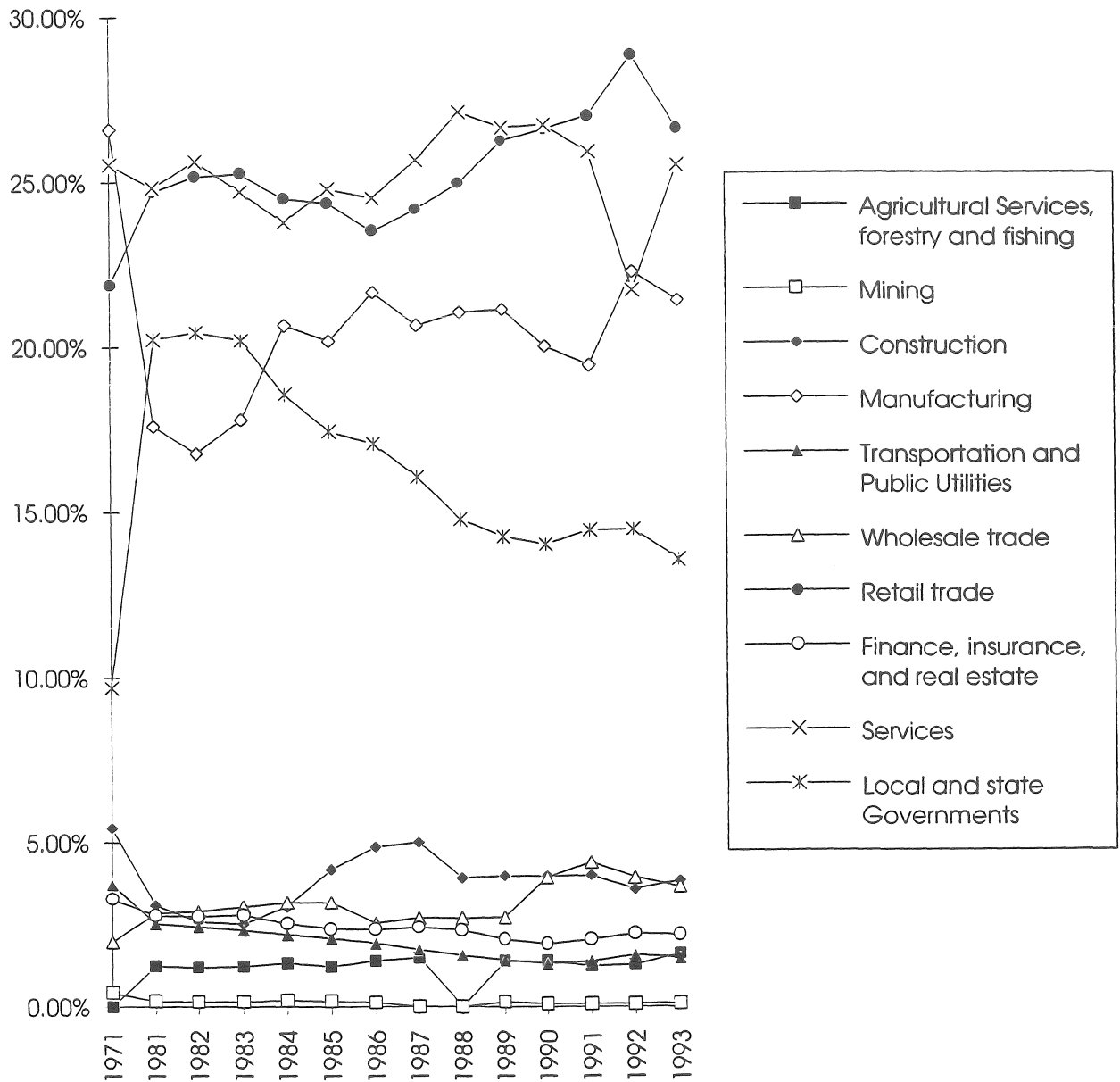


Chart 4

Percentage of Total Employment for Warren County



Source: Ohio Bureau of Employment Services

Chart 5

Percentage of Total Employment for Ohio

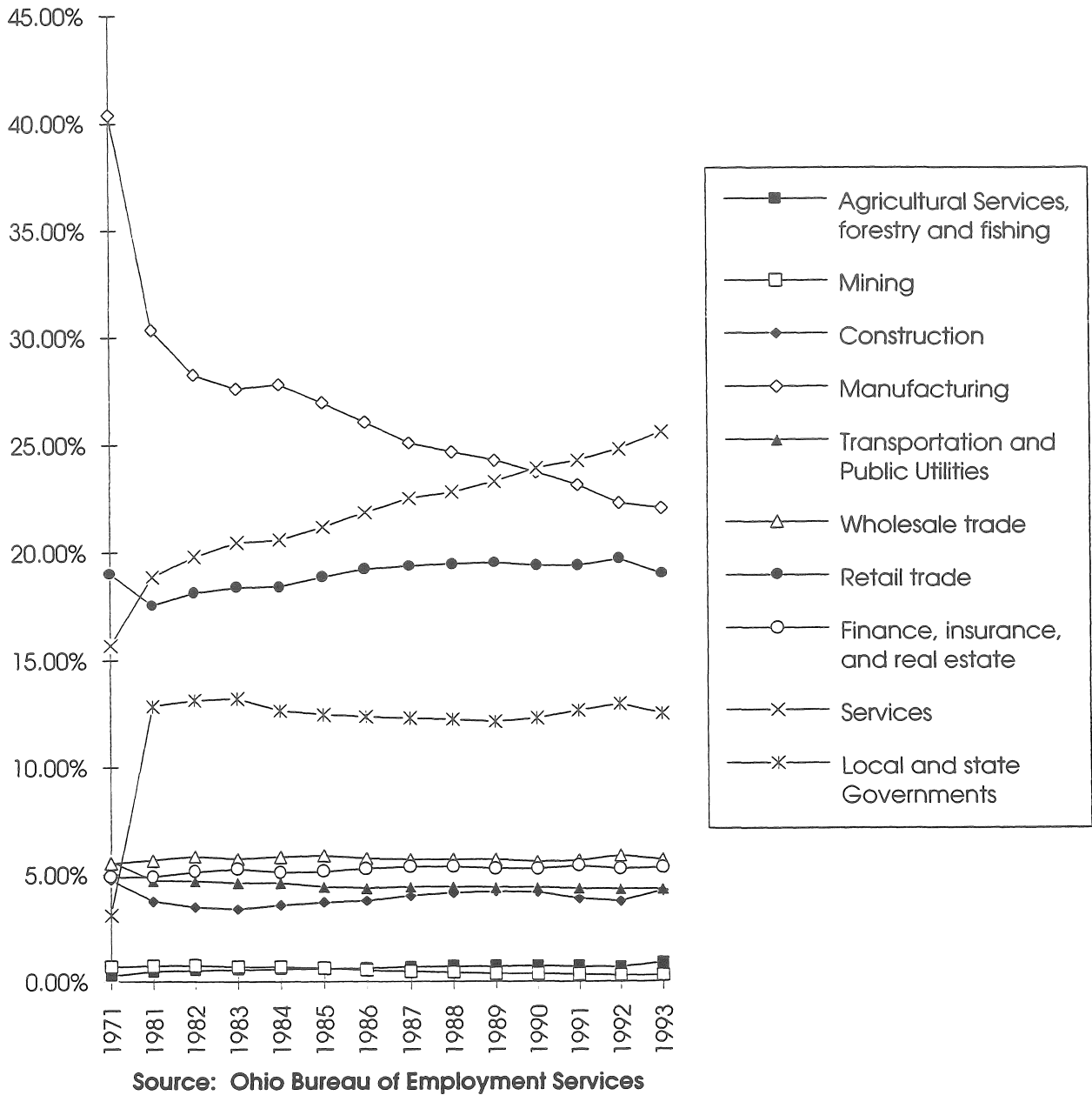


Chart 6

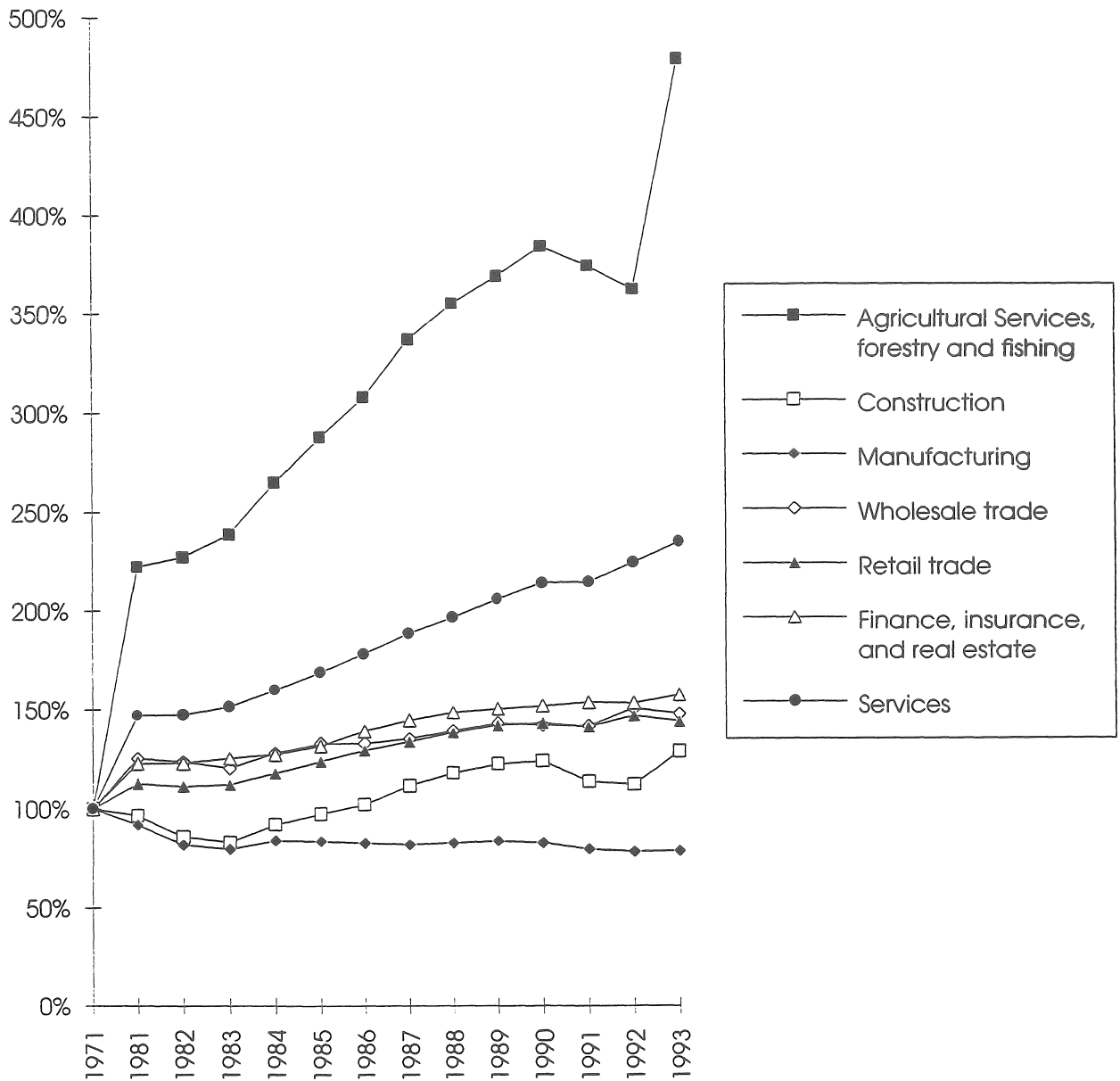
Charts 7 and 8 present information on the percentage growth of employees in the same basic industrial categories. This will provide us valuable information on which jobs have grown compared to the base year for comparison, 1971. For this comparison, we computed the growth for Warren County and the State. We felt that this would give us an adequate basis for comparing the trends in Warren County. When examining the chart for percentage growth in the State, some interesting facts come to light. For the same reasons espoused earlier, we excluded from our consideration the agriculture, public utilities and mining industries.

The services sector has shown the highest percentage growth in employees for the State. This is the only sector which has doubled its size of employees since 1971. In contrast to this sector, the manufacturing sector has actually declined from the level it occupied in 1971. It is now merely 71% of the size that it was in 1971. The other sectors have shown modest growth, growing at the rate of 50% over the last 20 years, or about 2.5% annually. This is in comparison with the service sector which has grown at a rate greater than 5% annually, or at twice the rate of the other sectors.

The biggest percentage growth in jobs in Warren County has been in the wholesale trade sector. The wholesale trade sector has grown roughly 520% over the last 22 years, which equates to an annual rate of 23%. This is a phenomenal growth rate for a particular industry. The wholesale trade sector is also a high wage sector, one of the highest within Warren County. Retail trade has grown approximately 300%, which is 14% annually, and service sector jobs have grown by 250% over the same time period (11% annually). Even manufacturing, an industry in decline when examined at the state level, has grown 200% in Warren County.

All the industrial sectors in Warren County have grown to at least twice the level they occupied 20 years ago. This bodes well for Waynesville. If growth in employment is a goal of the Waynesville Community, putting together a strategic plan should enable Waynesville to capture its share of the growth within the County. Retail trade and Services were the next highest growth sectors, with manufacturing exhibiting the fourth highest growth rate. The trends in manufacturing and wholesale trade sectors present the highest prospects for future job creation in Warren County.

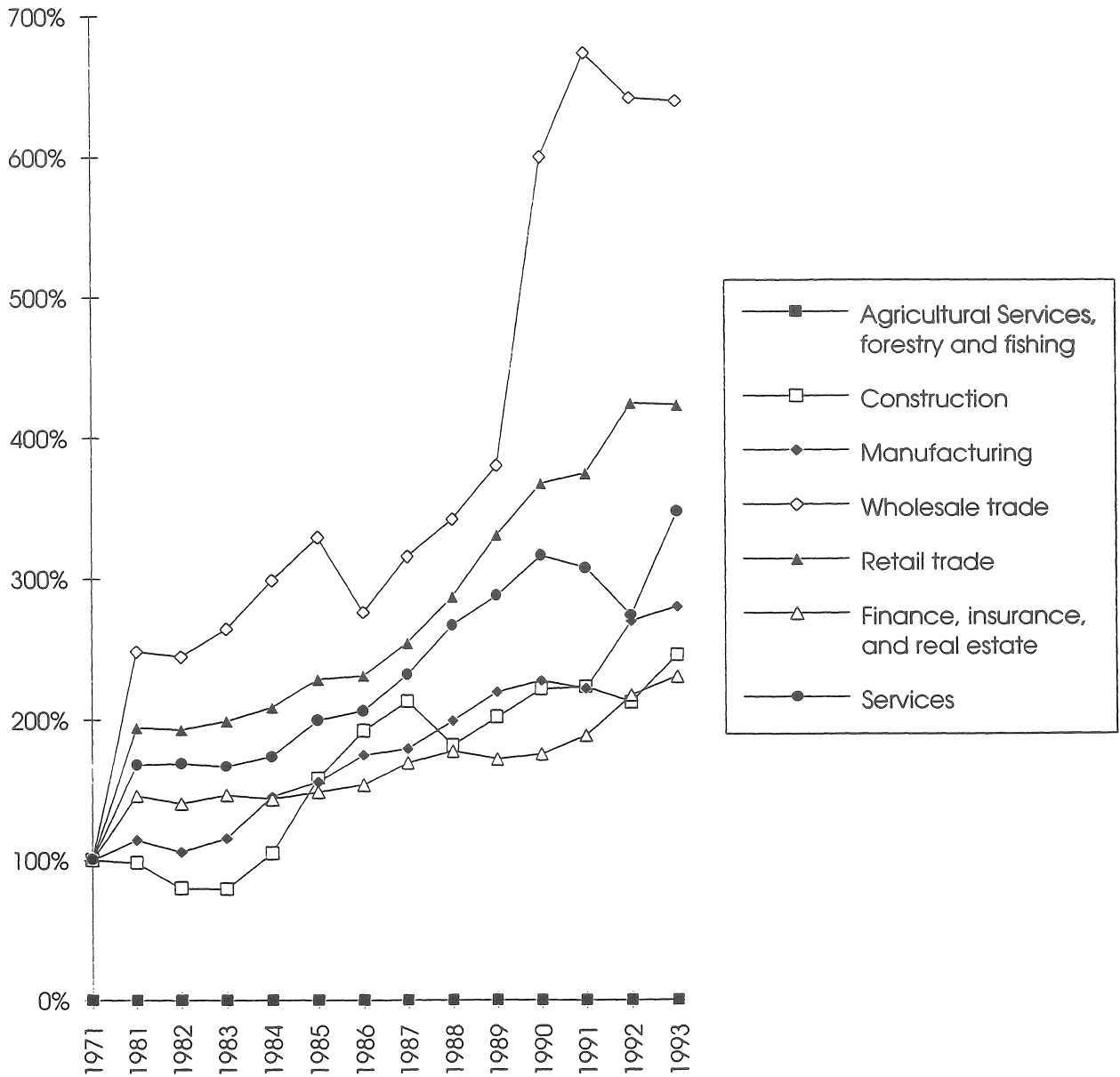
Percentage Growth in Employees by Industry for Ohio



Source: Bureau of Employment Services

Chart 7

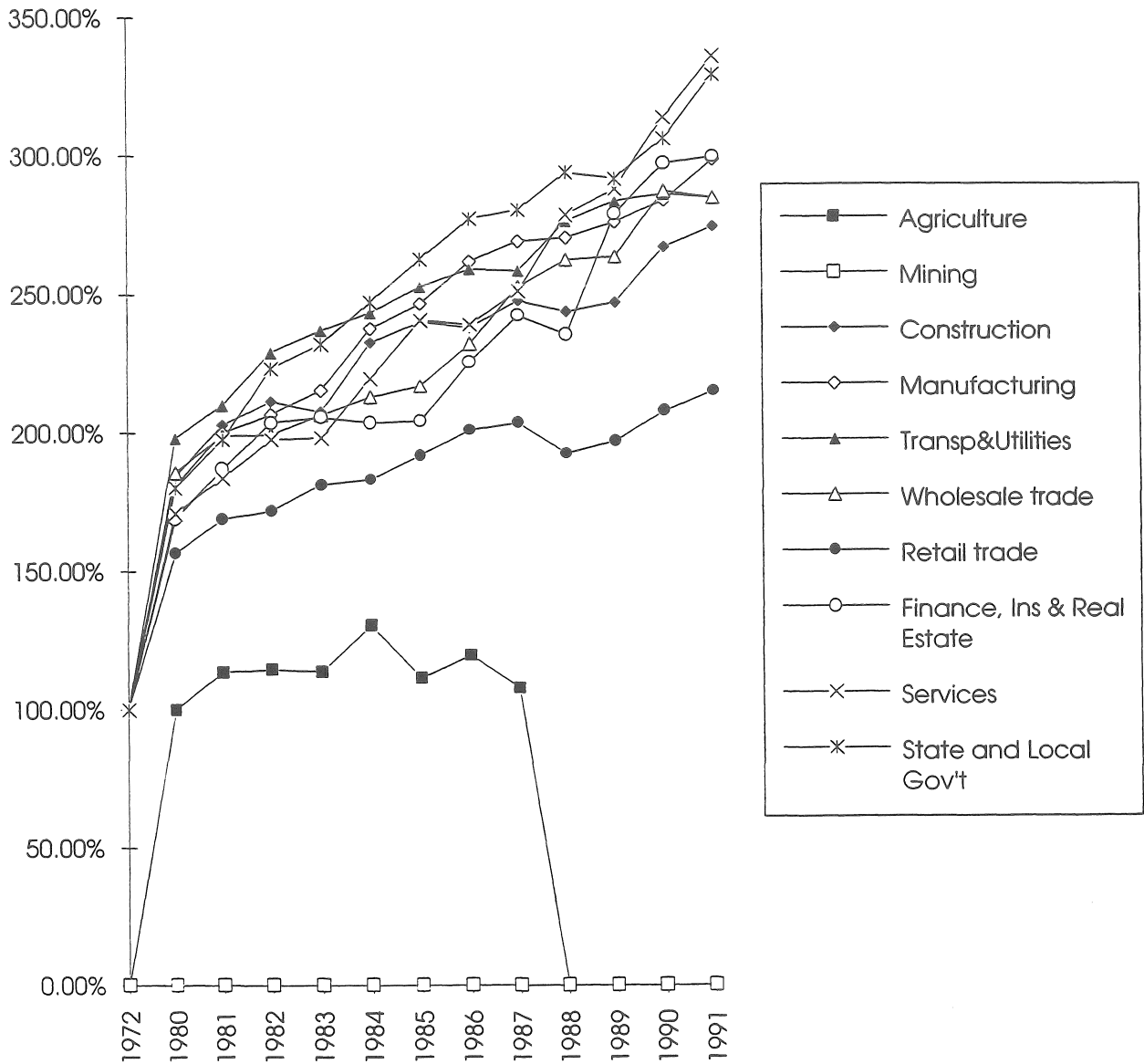
Percentage Growth in Employees by Industry for Warren County



Source: Ohio Bureau of Employment Services

Chart 8

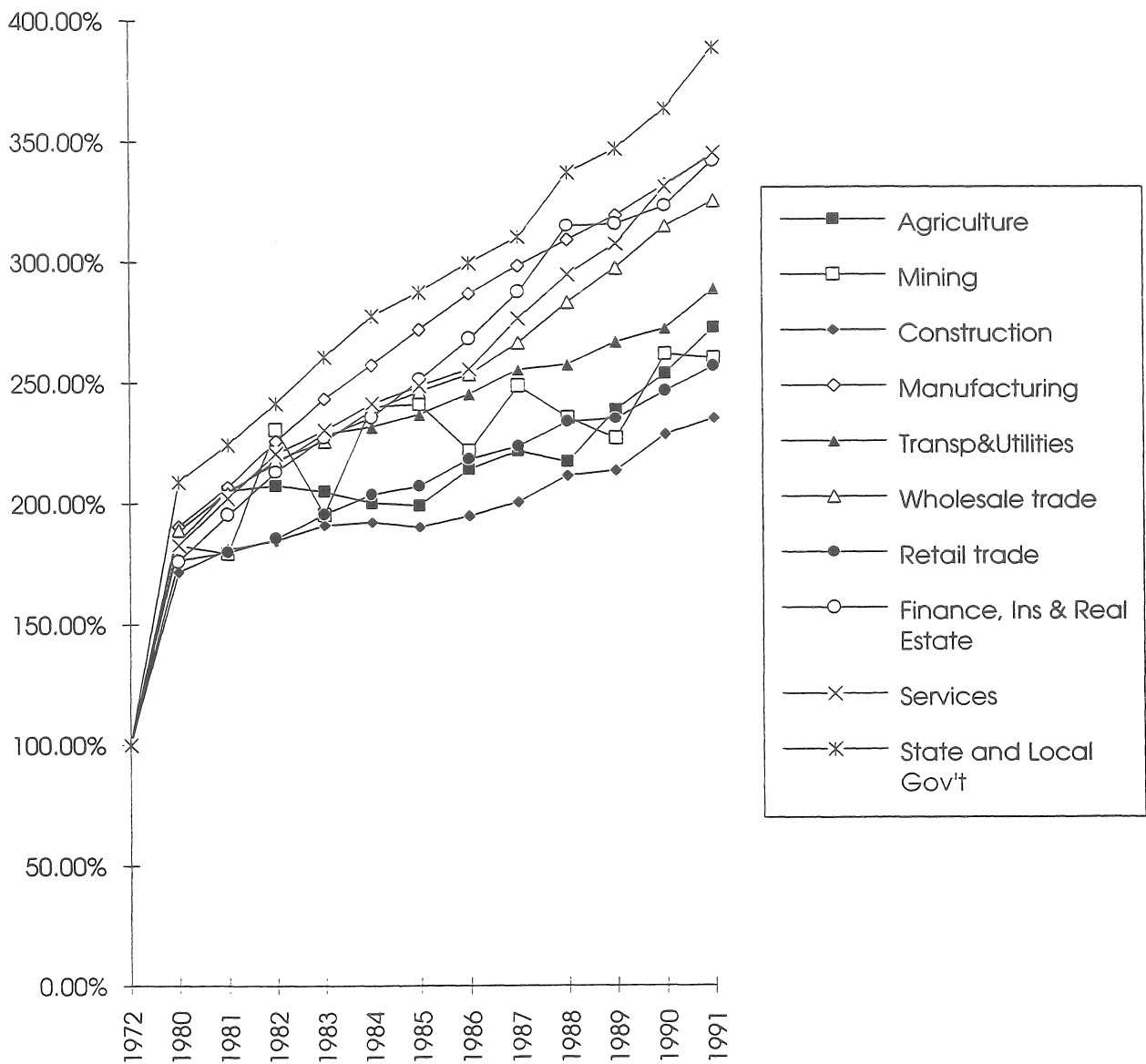
Percentage Change in Weekly Wages by Industry for Clinton County



Source: Ohio Bureau of Employment Services

Chart 9

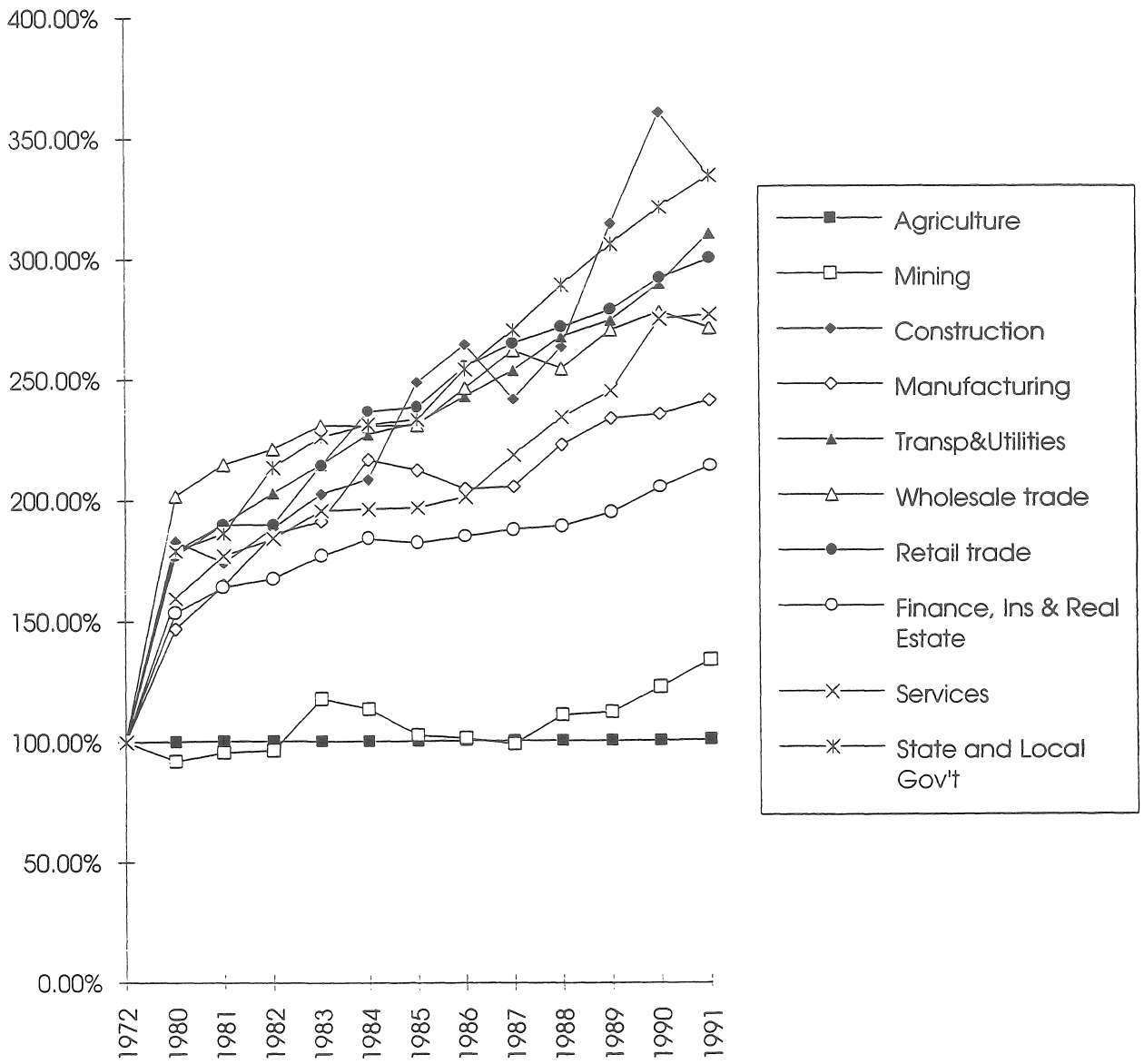
Percentage Change in Weekly Wages by Industry for Hamilton County



Source: Ohio Bureau of Employment Services

Chart 10

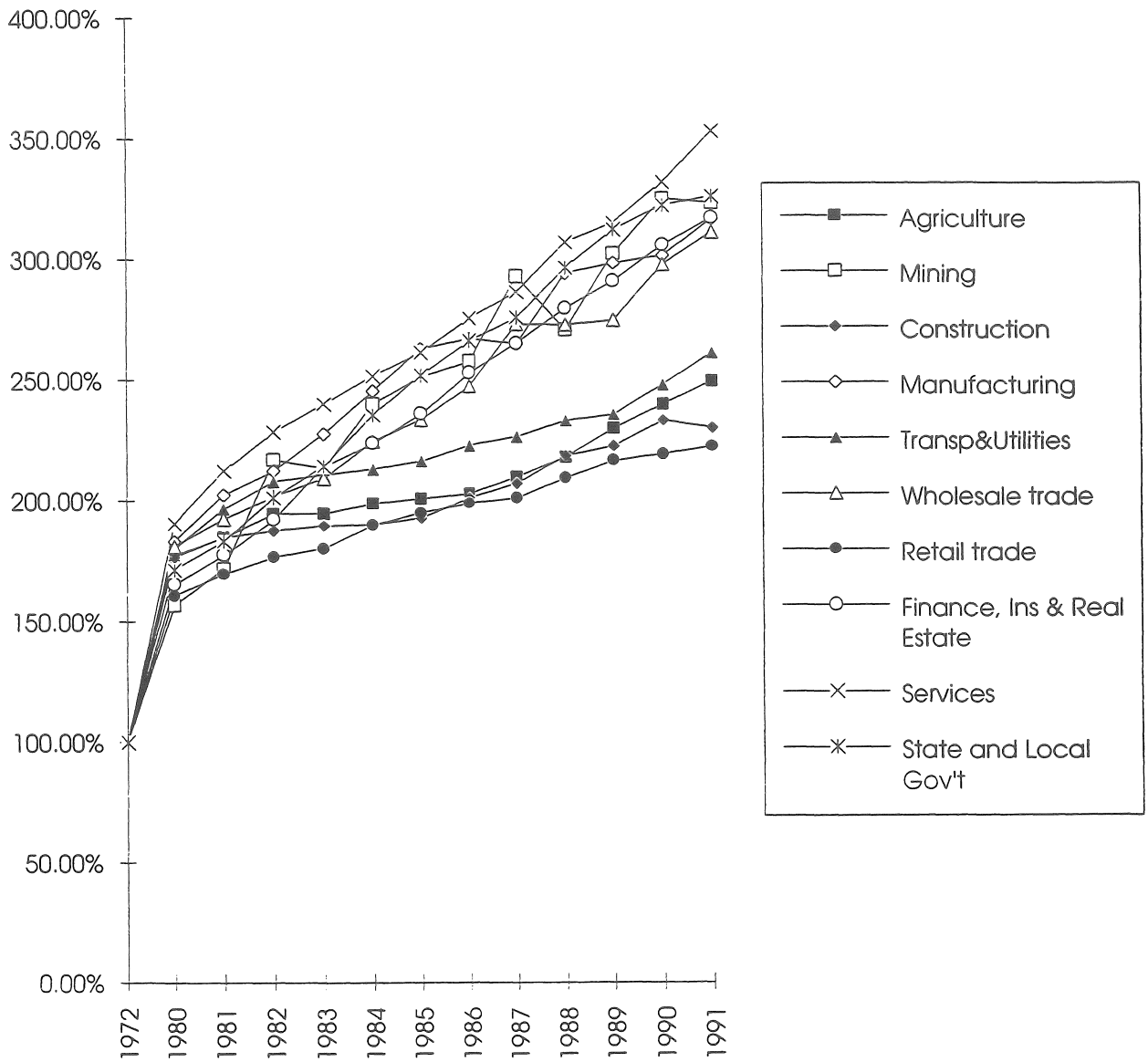
Percentage Change in Weekly Wages by Industry for Greene County



Source: Ohio Bureau of Employment Services

Chart 11

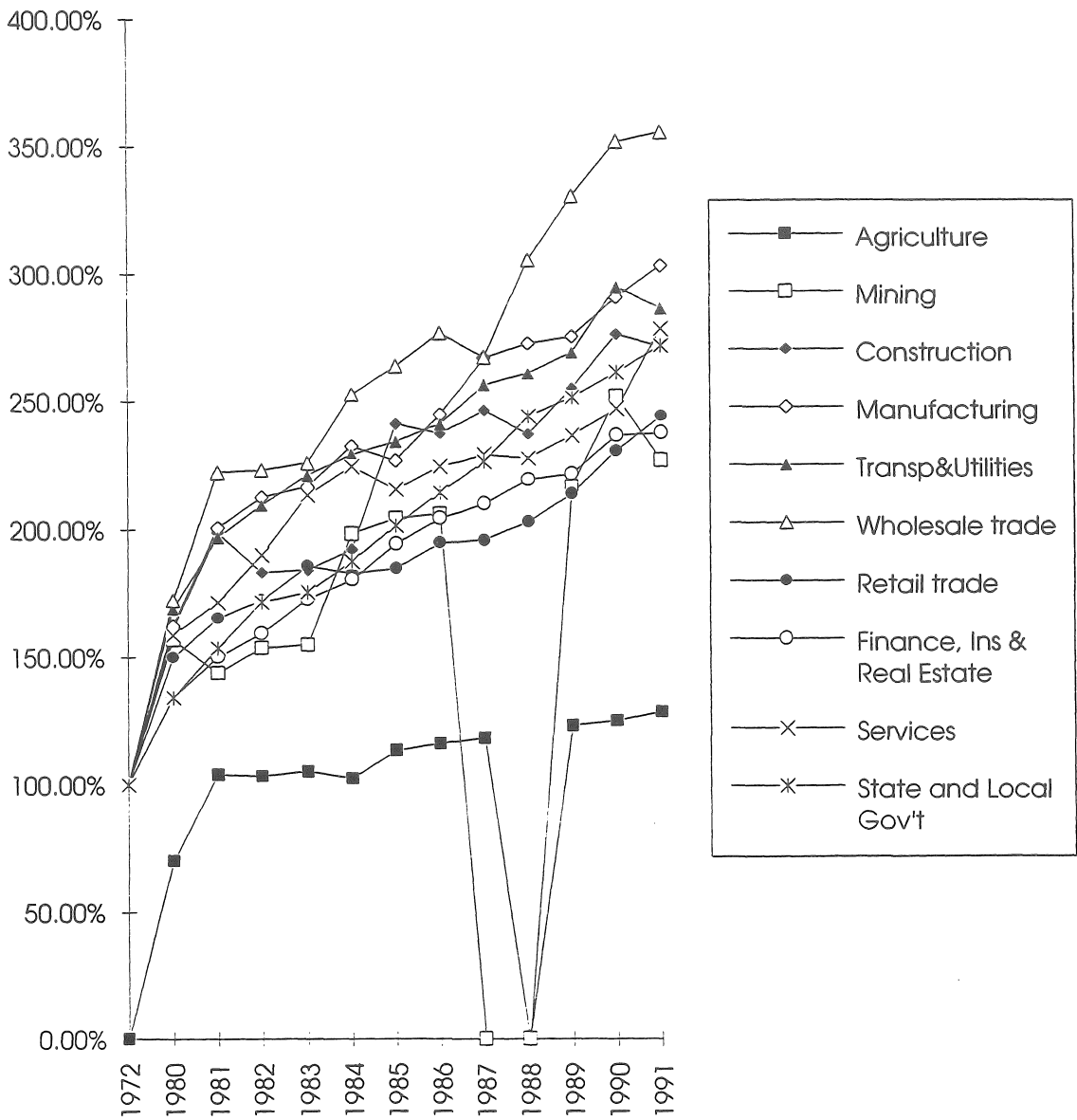
Percentage Change in Weekly Wages by Industry for Montgomery County



Source: Ohio Bureau of Employment Services

Chart 12

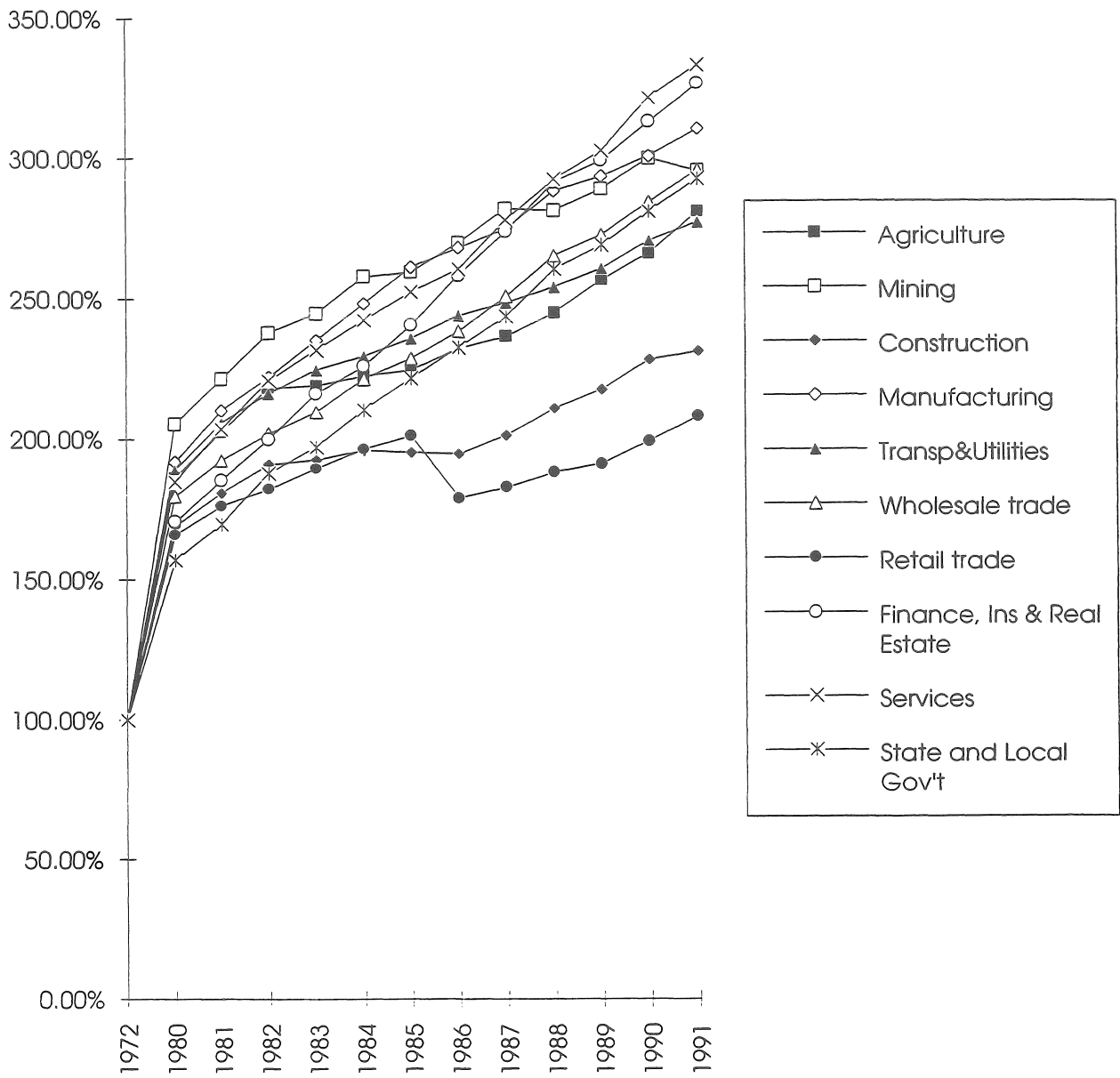
Percentage Change in Weekly Wages by Industry for Warren County



Source: Ohio Bureau of Employment Services

Chart 13

Percentage Change in Weekly Wages by Industry for Ohio



Source: Ohio Bureau of Employment Services

Chart 14

An analysis of trends in weekly wages provides additional pertinent information for economic development planning. Wages in the wholesale trade sector climbed at a faster pace in Warren County than any other job sector. The growth rate of wages for Ohio in the wholesale trade sector was eclipsed by the growth rate of wages in Warren County. The second highest wage growth sector for Warren County was found in the manufacturing sector. This manufacturing wage growth in Warren County was comparable to the growth of manufacturing wages for the State's economy. The wage rate for service sector jobs, at the State level, grew at a pace faster than the rate for Warren County. If service sector jobs are to be targeted for Waynesville Community further investigation would be necessary to determine which service sector activities to emphasize.

In summary, the employment and wage trends in Warren County reveal a wealth of information to be considered when formulating an economic development strategy for the Waynesville Community. The wholesale and manufacturing sectors were identified as high growth sectors. The wholesale sector in Warren County grew over 500% over the past 20 years. Wages for Warren County in this sector increased at a rate faster than any other sector in the County. The emergence of Warren County as a wholesale/distribution center needs to be considered as a potential opportunity for Waynesville Community. Manufacturing is also a potential prospect for a Waynesville Community economic development strategy. Wages in this sector are second only to the wholesale trade sector in their growth over the period of comparison. In Warren County, the market share of manufacturing as a percentage of total employment has increased from a low reached in 1982. Any new growth in Manufacturing jobs will spur additional economic growth in the other sectors of the economy. Manufacturing jobs are high wage jobs that increase the tax base of the community. This can, in turn, reduce the burden of tax incidence on the residential community.

III. Economic Development at Waynesville

A. Waynesville in the Dynamic Regional Setting

The following is a discussion of the Waynesville Community as it compares with other cities in Warren County and the region. This discussion compares relevant social, economic and demographic characteristics which are instrumental in drawing an accurate comparison between the Waynesville Community and its surrounding Townships.

1. Population Characteristics

Recent population growth is an important indicator of a community's future development potential. Since 1960, population in the Waynesville Community increased steadily at an annual rate of 1.08% (Table 1). Within the Waynesville Community, the Village of Waynesville has experienced the fastest population growth. Nevertheless, Village population growth was below the average growth rate of Warren County. It was also slower than the growth rate of Centerville, Bellbrook, Springboro and other surrounding communities. The Corwin portion of the community suffered a significant decline during the 30 years (See Table 1). From 1990 to 1992, there has been a reversal of the growth trend for Wayne Township and an increase in the growth rate for the Village of Waynesville. The 1992 Census update for the three municipalities is as follows: Waynesville Village- 2022, Wayne Township- 5981, and Corwin Village- 236. This recent upward trend suggests that the Waynesville Community may be positioned for more rapid population growth in the future.

Age distribution is another population characteristic. The 1990 Census showed that the median age in the Waynesville Community is higher than the average at the County level, and the prevailing levels at the neighboring communities, except for Centerville, Spring Valley Township, and Sugar Creek Township (Table 2). Calculating individuals age 65 and over as a percentage of the total population reveals that the Village has the highest percentage of mature adults among all the communities, as reported in Table 2. Apparently, Waynesville as a population center is more retirement-oriented than the other nearby communities within the region.

TABLE 1						
Population Growth: 1960-1990						
					Annual	Annual
					Growth	Growth
					Rate %	Rate %
	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>1960-1990</u>	<u>1980-1990</u>
Waynesville	1,298	1,638	1,796	1,949	1.67	0.85
Corwin	447	346	276	225	-1.66	-1.85
Wayne	4,343	5,119	5,844	5,744	1.08	-0.17
Warren	65,711	85,505	99,276	113,909	2.44	1.5
Franklin	7,917	10,075	10,711	11,026	1.31	0.29
Lebanon	5,993	7,934	9,636	10,453	2.48	0.84
Centerville	3,490	10,333	18,886	21,082	16.8	1.16
Bellbrook	941	1,268	5,174	6,511	19.73	2.58
Springboro	917	2,799	4,962	6,590	20.62	3.28
Clear Creek	4,854	8,576	10,566	13,347	5.83	2.63
Spring Valley	1,804	2,136	2,492	2,613	1.49	0.48
Sugar Creek	3,962	8,276	7,670	3,400	-0.47	-5.57

Source: 1990 Census of Population and Housing

TABLE 2						
Population Characteristics: 1990						
(Age Distribution)						
						65 & over
			Under	65 &	Median	as % of
	<u>All Persons</u>		<u>18</u>	<u>over</u>	<u>Age</u>	<u>total</u>
Waynesville	1949		531	323	34.8	16.57
Corwin	225		58	22	29.9	-----
Wayne	5744		1536	658	34.9	11.46
Warren	113909		30656	10318	32.7	9.06
Franklin	11026		3023	1183	31.4	10.73
Lebanon	10453		2824	1320	31.5	12.63
Centerville	21082		4758	3077	37.7	14.6
Bellbrook	6511		1902	475	33.1	7.3
Springboro	6590		1940	364	32.6	5.5
Clear Creek	13347		3737	863	33.9	6.47
Spring Valley	2613		649	283	35.8	10.83
Sugar Creek	3400		881	363	37.7	10.67

Source: 1990 Census of Population and Housing

The Waynesville Community is a predominantly white community. The percentage of minorities in the Waynesville Community is below the county average. Racial diversity also is less prevalent in the neighboring cities and townships.

TABLE 3						
Population Characteristics: 1990						
(Race)						
				American		
	All	White	Black	Indian	Asian	Other
Waynesville	1949	1930	6	5	7	1
Corwin	225	224	-	-	1	-
Wayne	5744	5713	11	5	12	3
Warren	113909	10526	2415	231	627	110
Franklin	11026	10890	87	17	28	4
Lebanon	10453	9989	335	45	75	9
Centerville	21082	20303	267	17	458	37
Bellbrook	6511	6431	20	10	40	10
Springboro	6590	6499	30	14	43	4
Clear Creek	13347	13187	42	18	86	14
Spring Valley	2613	2579	13	7	9	5
Sugar Creek	3400	3364	12	3	17	4
Note 1: American Indian category includes Eskimo and/or Aleutians						
Note 2: Asian category includes Pacific Islanders						
Source: 1990 Census of Population and Housing						

Educational status is an important aspect of labor force quality. According to Table 4, 75% of the population age 25 or older in the Waynesville community has graduated from high school. Only 14.9 percent of this same category of people received a bachelor's degree or higher. Both percentages are below the Warren County average as well as the levels of the surrounding communities, except for Franklin City. This is certainly not advantageous to the Waynesville Community because other neighboring areas apparently have a better educated work force, a factor that can be very important in attracting economic investment.

TABLE 4			
Population Characteristics: 1990			
(Education Status)			
Persons 25 years and older			
	% High School graduate or higher	% in Private School	% with Bachelor's or higher
Waynesville	5.90%	75.80%	16.70%
Corwin	-	43.50%	-
Wayne	11.00%	73.80%	14.90%
Warren	8.50%	75.50%	18.00%
Franklin	3.70%	60.60%	6.50%
Lebanon	8.80%	75.00%	16.10%
Centerville	12.70%	92.20%	40.30%
Springboro	6.40%	88.60%	33.90%
Clear Creek	9.10%	85.60%	28.50%
Spring Valley	6.70%	80.70%	15.90%
Sugar Creek	8.70%	87.70%	32.30%

Source: 1990 Census of Population and Housing

2. Employment

Table 5 presents the employment status in the Waynesville Community in 1990. The unemployment rate for the Waynesville Community was below the state's unemployment rate; however, it was slightly higher than the Warren County unemployment rate and moderately higher than that of the adjacent communities, except for the City of Franklin. The more severe situation was that of the Village of Corwin, which had an unemployment rate of approximately 11.1%, nearly twice the rate experienced at the state level.

3. Income and Poverty

Income and poverty are two basic indicators that are frequently used to indicate the economic welfare in an area. In economic studies, both per capita income and median household income indicators are frequently used. The Waynesville Community performed slightly better than the Warren County average in terms of per capita income and notably better than the State of Ohio in terms of per capita income, median household income and median family income. However, when compared to other surrounding communities, all the cities and townships except for Franklin,

Lebanon, and Spring Valley listed in Table 6, outpaced the Waynesville Community in per capita income, median household and family income.

TABLE 5		
Employment Status in 1990		
Persons 16 Years and Older		
	Civilian Labor Force	% Unemployed
Waynesville	968	3.20%
Corwin	99	11.10%
Wayne	2979	4.50%
Warren	57505	4.30%
Franklin	13659	6.90%
Lebanon	5224	1.90%
Centerville	11332	2.50%
Springboro	3767	4.30%
Clear Creek	7391	3.60%
Spring Valley	1304	3.50%
Sugar Creek	1755	2.60%
State	5279995	6.60%

Source: 1990 Census of Population and Housing

TABLE 6				
Income Characteristics: 1989				
	Per Capita Income	HHolds	Median Income Families	Non Family HHolds
Waynesville	\$12,936	\$33,182	\$37,969	\$16,842
Corwin	\$6,206	\$22,917	\$24,583	\$11,250
Wayne	\$14,906	\$35,127	\$37,703	\$14,514
Warren	\$14,615	\$36,728	\$40,534	\$19,417
Franklin	\$10,566	\$25,569	\$30,020	\$14,173
Lebanon	\$12,464	\$27,095	\$31,528	\$16,646
Centerville	\$21,790	\$45,424	\$53,937	\$28,647
Bellbrook	\$16,990	\$47,500	\$49,413	\$23,241
Springboro	\$17,769	\$49,339	\$51,210	\$19,191
Clear Creek	\$19,031	\$48,682	\$51,229	\$24,712
Spring Valley	\$14,132	\$29,914	\$33,152	\$14,000
Sugar Creek	\$22,671	\$52,407	\$57,503	\$34,688
State	\$13,461	\$28,706	\$34,351	\$15,645

Source: 1990 Census of Population and Housing

In 1990, five percent of the Waynesville Community population was below the poverty line, and 4.4 percent of all the families were living with income below the federal poverty level (Table 7). These percentages were below the Warren County average as well as the State average. As compared to other neighboring communities, Waynesville occupied the middle position between some neighbors like Centerville, Bellbrook, Springboro, Sugar Creek and Clear Creek, which had lower poverty rates, and others which had higher poverty rates than the Waynesville Community.

TABLE 7				
Poverty Status: 1989				
	Persons from whom Poverty Status is Determined		Families with Income below poverty level	
	Total	Poverty rate	Number	% of all families
Waynesville	1861	5.50%	18	3.30%
Corwin	214	9.30%	5	10.90%
Wayne	5630	5.00%	73	4.40%
Warren	109303	6.40%	1672	5.30%
Franklin	10884	16.40%	469	15.00%
Lebanon	10190	8.60%	207	7.10%
Centerville	20720	3.70%	177	3.00%
Bellbrook	6501	2.60%	33	1.70%
Springboro	6566	3.60%	59	3.00%
Clear Creek	13313	3.10%	110	2.80%
Spring Valley	2580	9.10%	47	6.30%
Sugar Creek	3248	2.50%	23	2.30%
State	1325768	12.50%	283906	9.70%

Source: 1990 Census of Population and Housing

4. Housing Characteristics

In regional economics, home ownership is generally believed to have a positive relationship with the stability of a community, because homeowners usually have a stronger stake in the economy than renters. In 1990, of all the housing units at the Waynesville Community, 78.36 percent were occupied by homeowners, and 21.64 percent by renters. Within the Community, the Village of Waynesville and the Village of Corwin had lower percentages of home

ownership and accordingly higher percentages of renter-occupied housing. Waynesville's home ownership percentage rate was above the Warren County level and the State average, as well as that of Franklin, Lebanon, and Centerville. Waynesville's home ownership rate was below that of Clear Creek, Sugar Creek, Springboro, and Bellbrook.

TABLE 8				
General Homeowner and Renter Characteristics: 1990				
	All Owner-Occupied		All Renter-Occupied	
	Housing Units		Housing Units	
		% of all		% of all
	Total	housing units	Total	housing units
Waynesville	466	63.66%	226	36.34%
Corwin	42	61.76%	26	38.24%
Wayne	1561	78.36%	431	21.64%
Warren	29252	74.72%	9898	25.28%
Franklin	2454	60.28%	1617	39.72%
Lebanon	2183	54.68%	1809	45.32%
Centerville	5927	71.17%	2401	28.83%
Bellbrook	2013	91.50%	197	8.50%
Springboro	1912	86.04%	309	13.96%
Clear Creek	3953	87.90%	543	12.10%
Spring Valley	844	85.34%	145	14.66%
Sugar Creek	1021	87.80%	142	12.20%
State	2758131	67.48%	1329415	32.52%

Source: 1990 Census of Population and Housing

Homeowners are usually divided into two categories: those with a mortgage and those without a mortgage. The 1990 Census data revealed that median mortgage monthly cost in the Waynesville Community was \$675 which accounted for 19.3 percent of the household's income. The median monthly cost for homeowners without mortgages was \$211, or 12.4 percent of the household income. Relatively lower monthly cost for mortgaged homes indicates that the homeowners in the Waynesville Community are less wealthy and their home values are less expensive than those living in most neighboring places.

TABLE 9
Homeowner Characteristics: 1990

	<u>With a Mortgage</u>			<u>Not Mortgaged</u>		
	<u>Median Selected</u>			<u>Median Selected</u>		
	<u>monthly owner costs</u>			<u>monthly owner costs</u>		
	as a % of			as a % of		
	Total	household income		Total	household income	
Waynesville	266	\$634	17.20%	172	216	11.30%
Corwin	20	\$383	10.50%	20	169	11.80%
Wayne	767	\$675	19.30%	433	\$211	12.40%
Warren	18518	\$714	19.10%	6529	\$208	11.80%
Franklin	1590	\$527	17.40%	712	\$182	12.20%
Lebanon	1349	\$614	20.10%	587	\$181	11.10%
Centerville	4117	\$890	18.60%	1078	\$291	11.90%
Bellbrook	1532	\$831	20.50%	457	\$237	12.30%
Springboro	1522	\$861	20.60%	211	\$214	11.00%
Clear Creek	2823	\$859	20.50%	645	\$223	11.20%
Spring Valley	332	\$788	21.30%	178	\$217	14.40%
Sugar Creek	641	\$1,090	21.50%	182	\$290	10.90%
State	1435245	\$625	18.20%	841498	\$205	12.50%

Source: 1990 Census of Population and Housing

There is further evidence of this wealth/income disparity by comparing home values between the Waynesville Community and its surrounding communities. Table 10 shows that when values are broken down into three percentiles, owner-occupied homes in the Waynesville Community were roughly equal in value with those in the County. However, when compared to those in other neighboring communities, except for Franklin and Lebanon, owner-occupied homes at Waynesville had significantly lower values in all three percentiles.

Renter characteristics were quite similar to homeowner's among these communities. As shown in Table 11, renters in the Waynesville Community were paying rent above the state level but significantly below the county level, as well as the level of most neighboring places, in terms of median gross rent. Comparisons in terms of three percentiles of rents summarized in Table 12

further show that Waynesville is a reasonably less expensive place for renters to live than most surrounding cities and townships.

TABLE 10			
Financial Characteristics for Owner-Occupied Housing Units			
	Lower Percentile	Median Percentile	Upper Percentile
Waynesville	\$59,000	\$75,200	\$94,100
Corwin	\$27,000	\$34,500	\$44,000
Wayne	\$58,700	\$79,600	\$106,000
Warren	\$58,400	\$77,600	\$107,000
Franklin	\$44,100	\$55,600	\$70,400
Lebanon	\$57,200	\$69,800	\$93,100
Centerville	\$88,000	\$111,700	\$139,800
Bellbrook	\$77,900	\$91,500	\$115,600
Springboro	\$73,800	\$94,400	\$131,800
Clear Creek	\$73,300	\$97,000	\$148,200
Spring Valley	\$58,500	\$89,900	\$131,100
Sugar Creek	\$107,800	\$146,800	\$201,800

Source: 1990 Census of Population and Housing

TABLE 11			
Renter Characteristics: 1990			
			Median Gross Rent
	Total Housing Units	Average Rent	as a % of Hhold income in 1989
Waynesville	226	\$402	23.20%
Corwin	26	\$330	30.00%
Wayne	431	\$392	23.20%
Warren	9898	\$434	23.70%
Franklin	1617	\$361	25.60%
Lebanon	1809	\$410	23.50%
Centerville	2401	\$529	21.70%
Bellbrook	197	\$524	19.10%
Springboro	309	\$478	24.80%
Clear Creek	543	\$479	24.40%
Spring Valley	145	\$363	20.80%
Sugar Creek	142	\$582	20.80%
State	1329415	\$379	25.30%

Source: 1990 Census of Population and Housing

TABLE 12						
Financial Characteristics for Renter-Occupied Housing Units						
	Lower Percentile		Median Percentile		Upper Percentile	
Waynesville	\$246		\$307		\$367	
Corwin	\$190		\$232		\$292	
Wayne	\$232		\$300		\$353	
Warren	\$260		\$340		\$440	
Franklin	\$191		\$270		\$338	
Lebanon	\$272		\$333		\$387	
Centerville	\$379		\$450		\$636	
Bellbrook	\$332		\$419		\$532	
Springboro	\$351		\$387		\$530	
Clear Creek	\$304		\$374		\$480	
Spring Valley	\$197		\$292		\$364	
Sugar Creek	\$409		\$448		\$544	
Source: 1990 Census of Population and Housing						

Important information can be uncovered when we examine the structural characteristics of housing in the Waynesville Community. In 1990, about one quarter of all the housing units were built before 1939 (inclusive), which was considerably higher than the Warren County average (13.7 percent). Another 14.8 percent was constructed in the 1980s, which was significantly lower than the county level (23.4 percent). Most of the surrounding communities outperformed the Waynesville Community during the 1980's in terms of residential development. Moreover, all the neighboring communities, excluding Franklin and Lebanon, had higher percentages of houses with 4 or more bedrooms.

Table 13 and Table 14 present comparative data on housing characteristics. As reported by the Census data, the Waynesville Community experienced a slight decline in population in the 1980's; while the population in Warren County increased by 15 percent during the same period. However, development within the County had not been equally distributed among the various county subdivisions. Franklin Township had been the largest county subdivision since 1960 in terms of population. Moreover, population at Franklin Township grew at a slower rate during the 1970's and declined during the 1980's. Meanwhile, Deerfield Township has been the fastest growing area in terms of population within the County since 1960. During 1960 and 1980, Warren County had a 48,198 net population increase, about one third of which (33.10%) was captured by Deerfield Township.

TABLE 13						
Housing Structure Characteristics: 1990						
	Year Structure Built					
	All housing units	1980 Mar-90	1939 or earlier	Bedrooms 0 or 1	4 or more	Condo-minium
Waynesville	710	19.60%	28.00%	6.80%	14.80%	-----
Corwin	81	-----	33.30%	11.10%	24.70%	-----
Wayne	2069	14.80%	23.80%	4.00%	16.70%	-----
Warren	40636	23.40%	13.70%	6.80%	17.90%	4.20%
Franklin	4208	4.90%	22.70%	11.60%	11.90%	2.00%
Lebanon	4121	19.30%	21.20%	13.00%	9.40%	4.30%
Centerville	8801	24.30%	0.70%	7.00%	25.90%	16.70%
Bellbrook	2254	21.30%	5.90%	1.90%	23.10%	0.60%
Springboro	2287	32.70%	7.70%	0.40%	29.40%	1.90%
Clear Creek	4621	29.20%	12.10%	0.50%	29.10%	1.00%
Spring Valley	1023	17.40%	23.20%	5.10%	26.00%	-----
Sugar Creek	1188	28.90%	12.90%	2.40%	30.00%	1.10%

Source: 1990 Census of Population and Housing

TABLE 14						
	All Owner-Occupied		All Renter-Occupied			
	% with household	Housing Units moved into unit	% with household	Housing Units moved into unit		
	1969		1969			
	Total	1989- 3/90	or earlier	Total	1989- 3/90	or earlier
Waynesville	466	9.20%	23.00%	226	37.20%	2.20%
Corwin	42	-	57.10%	26	34.60%	-
Wayne	1561	9.20%	26.10%	431	32.40%	1.20%
Warren	29252	11.00%	22.00%	9898	42.30%	2.80%
Franklin	2454	10.20%	30.00%	1617	32.80%	2.80%
Lebanon	2183	8.80%	21.70%	1809	48.00%	1.20%
Centerville	5927	11.60%	14.00%	2401	50.10%	-
Bellbrook	2013	10.10%	24.40%	197	40.10%	5.10%
Springboro	1912	20.30%	11.60%	309	37.50%	-
Clear Creek	3953	15.50%	16.90%	543	30.00%	1.50%
Spring Valley	844	11.60%	16.20%	145	27.60%	4.10%
Sugar Creek	1021	14.50%	17.60%	142	21.80%	5.60%
State	2758131	8.00%	31.20%	1329415	38.80%	3.40%

Source: 1990 Census of Population and Housing

B. Recent Population and Demographic Trends at Waynesville

In the most recent decade (1980-1990), Deerfield Township captured 66% of the net population growth of the County (9,685 out of 14,633). The second and third fastest growing areas within Warren County, in the 1980s, included Clear Creek Township and Turtle Creek Township, respectively.

Table 15				
Population Growth by County Subdivisions				
at Warren County: 1960-1990				
	1960 - 1990		1980 - 1990	
	Net change	% increase	Net change	% increase
Warren County	48198	73.35%	14633	14.74%
Clear Creek Twp	8493	174.97%	2781	26.32%
Deerfield Twp	15955	153.02%	9685	58.00%
Franklin Twp	8679	46.19%	-690	-.45%
Hamilton Twp	1996	51.74%	35	0.00%
Harlan Twp	783	31.51%	6	0.00%
Lebanon City	4460	74.42%	817	8.48%
Massie Twp	78	9.73%	-334	-27.51%
Salem Twp	226	5.93%	524	14.91%
Turtle Creek Twp	-109	-1.04%	1937	22.94%
Union Twp	264	6.01%	-245	-5.00%
Washington Twp	10	0.01%	98	7.80%
Wayne Twp	1422	32.74%	79	-1.35%

Source: Calculated from Census Data

Building permits are another way to quantify growth. Between 1980 and 1989, various townships within Warren County issued a total of 3813 building permits for single family residences. Deerfield Township issued 1,865, accounting for 49% of the total, and Wayne Township issued 151, accounting for 4% of the total. During the most recent period (1990-1993), Deerfield issued 1,021, 43% percent of total permits issued(2,378), while Wayne Township issued 153, 6% of the total. Combined with the percentage that Waynesville Village issued, the Waynesville Community accounted for 12% of new building permits issued between 1990 and 1993. Apparently, the development pace in the Waynesville Community area has increased since

the early 1990s, placing the combined community second behind only Deerfield Township in total new permits as a percentage of the total county issuance. The number of permits for Wayne Township issued from 1990 through 1993, is in fact, equivalent to the entire number of permits issued in the decade of the eighties. This would seem to predict growth at a rate higher than the 30 year average growth rate.

Table 16				
Building Permits Issued for Single Family Residences				
by Townships in Warren County, 1980-1993				
	1980 - 1989		1990 - 1993	
	Number	% of Total	Number	% of Total
Clear Creek	612	16.05%	303	11.86%
Deerfield	1865	48.91%	1021	39.98%
Franklin	201	5.27%	114	4.46%
Hamilton	256	6.71%	257	10.06%
Harlan	127	3.33%	108	4.23%
Massie	24	0.63%	25	0.98%
Salem	102	2.68%	81	3.17%
Turtle Creek	351	9.21%	245	9.59%
Union	64	1.68%	34	1.33%
Washington	50	1.31%	64	2.51%
Wayne	151	3.96%	153	5.99%
Waynesville		0.00%	176	6.89%
Warren County	3813		2554	

Note: Waynesville figure for 1980 - 1989 results from information only being available to 1983. Percentages do not add to 100% due to rounding

In the past, Waynesville lagged behind Warren County in most growth categories, nor has Waynesville kept pace with the surrounding communities. The educational level in the Waynesville Community is below the level in the County. The population from 1980 through 1990 decreased for Wayne Township and grew at a decreased rate for Waynesville Village. But conditions for the community are changing. Population for the Waynesville Community area is growing at a faster annual rate now than at any other time since the 1970's. This is a reversal from the trend established in the 1980's. Income and other demographic categories are also beginning to increase. This indicates that the Waynesville Community may be on the verge of becoming a

growing, dynamic community. The expected increase in population will lead to a plethora of changes in the community.

IV. Economic Studies of City Growth

In this chapter, we examine the economic literature that addresses the topic of small town economic growth. This literature emphasizes why certain small towns grow while other small towns do not. An understanding of the conditions which encourage and aid growth is important in helping communities target their strategies to attract growth. It can also help to avoid the potential problems of unchecked growth in the Waynesville Community area.

A. Market Area and Central Place Theory

Central Place Theory states that there are systems of cities in which urban places of a higher order serve populations in communities of the next lower order and so on. This implies that there are small residential centers, like villages, which represent a first order city. These first order centers provide the most basic services for their residents. Located nearby are second order cities. The second order centers, or cities, are capable of supplying all the goods and services that the first order center provides, but they also provide more goods and services. This happens because the population in the second order center is usually larger and the income for the larger order center is greater than the lower order center. Thus, residents in these small urban centers rely upon higher order centers, or the larger centers, to have access to the services which the small centers can not provide for themselves.

Waynesville is an example of a first order center. The City of Lebanon could be classified as a second order center. Perhaps the City of Centerville would be classified as a third order center, and so on. This hierarchical structure is aided by improvements in transportation, the emergence of regional shopping centers, and huge growth in discount retailers. An example of how Central Place Theory can be relevant to small town development is the growth of discount retailers. When discount retailers offer a wider selection of merchandise at a lower price, small independent retailers may go out of business because the demand for services in his/her immediate community is reduced. Thus, these larger discount retailers located a short distance away serve to dampen or squelch any retail growth the smaller communities may be experiencing. That will

happen unless the population increases enough to support more local services. If the population continues to grow in the smaller communities, they eventually attract more advanced services.

The location of the lower order centers in relation to their higher order center also affects the wages in the lower order centers. A study by Walzer and Stablein compared median family income in towns with populations between 2,500 and 10,000 with towns at 20 mile intervals from a city of at least 25,000. The researchers noted a steady decline in median income as the distance from the larger city increased. Walzer and Stablein also noted that towns where a sizable percentage of residents are employed elsewhere substantially effect the economic characteristics of the smaller center. Another interesting fact revealed by the Walzer and Stablein study is that "Small towns with above average concentration of employment in Manufacturing were above the income mean - on the average, median family income was \$226 higher for each percentage point of manufacturing employment above the mean." Apparently, the closer a rural town is to a larger city, the higher their prevailing wage structure; thus, the level of the population for the lower order center grows. This would suggest there is a trade-off between retail sales lost to the larger entity and any advantage derived from income tax revenue and property tax growth.

B. Export Base and Economic Development

The economic base theory is a widely used concept in regional and urban economics. It refers to that portion of the local economy that is composed of the producers of goods, services, and capital, who export all or a predominant part of their output. According to Tweeten and Brinkman, "The cornerstone of the export base theory is that local markets exist only because of export markets. ... An area grows because it earns money from goods and services supplied to other areas, and the earnings in turn provide the means to import good and services." The economic base model divides local economic activities into two categories: basic and non-basic. Those economic activities whose growth and development are said to determine the economic growth of a town or region are called economic base or basic economic activities. Other activities which are said to develop as a consequence of the area's growth are "non-basic" or "residentially"

activities. In economic base models, the size of the economic base determines the income of the area and the growth of the base determines economic growth in the area.

The effect of changes in "basic activities" on the economy of an area is frequently estimated by means of the economic base multiplier. On the basis of some common measure, whether gross sales, payroll size, number of employees, tax receipts, or whatever, a ratio between the basic and non-basic sectors can be determined. Then, the basic / non-basic ratio can be used as a multiplier to predict future growth in non-basic activities as a result of basic production. Though the economic base approach becomes less helpful as the size of the unit of analysis is increased, it is quite useful in conducting economic analysis for small towns and communities.

Recent empirical studies show that the services industry could be a part of the economic base of an area [see John Blair's *Urban and Regional Economics* for a detailed discussion]. The implication is that some small bedroom communities could successfully pursue economic development by attracting more economic activities in the rapidly growing service and high-tech sectors.

C. Population Growth and the Tiebout Model

According to the Tiebout model, a house purchased in a particular area embodies a bundle of services in addition to the private services of the shelter and land. The other bundle of services includes the services of local government such as garbage collection, police protection, public school, etc. Individuals form their preferences for an area based upon the public services and other features of the external environment, as well as the private services of the house. Different levels of service provisions will often result in different tax burdens among municipalities; individuals differ in their preference and willingness to pay for private housing services and also for the goods associated with housing in a particular area. This model emphasizes the role of government services as a major attraction and taxes as a major detractor in creating neighborhood amenities, with the major implication being that individuals select areas that provide their preferred mix of

services and taxes and they usually express their preferences by attempting to move into the district--- a process termed, " voting with their feet".

The characteristics of recent population growth merit additional discussion. Empirical studies have shown that population growth, in the past two decades in a particular locality, is no longer spurred by birth rates. Instead, it is the people moving into and out of an area that mainly alters the size and composition of its population. Consequently, local governments have to work harder to improve their service-tax mix in order to be competitive in retaining current residents and attracting prospective residents.

Property taxes are major tax burdens imposed on residents and businesses by the local government. Although the Waynesville Community does not experience the highest growth in property tax rate increases in the 1980's and early 1990's, the effective tax rate both for agricultural and residential properties and for industrial and commercial properties is higher in Waynesville than many other neighboring cities. Also, the Wayne local school district ranked higher in the property taxation among the school districts listed in Table 17. Apparently, other things being equal, taxes in the Waynesville Community have placed the Community at a substantial disadvantage in its pursuit of development (Tables 17 and 18).

Table 17					
Commercial and Industrial Property Tax Rates (Effective):					
1981-1993					
	1981	1990	1991	1992	1993
Waynesville Corp	46.1	46.5	48.2	45.4	47
Corwin Corp	35.6	42.1	44.4	41.6	43.2
Springboro Corp	34.9	44.2	41.3	40.7	40.1
Lebanon Corp	42	39.8	38	42	41.9
Franklin Corp	34	40.9	38	37.8	37.7
Bellbrook Corp	52	46.7	41.7	53.8	57.6
Centerville Corp	40.7	46.9	47.1	49.3	59.98
Wayne LSD	34.6	41.9	44.2	41.4	43
Lebanon CSD	41.5	37.4	35.9	40.1	40
SugarCreek LSD	48.5	43.4	36.7	50.5	55.2
Franklin LSD	34.3	40.2	37.1	37	36.9
Springboro LSD			45.8	45.2	44.5
Spring Valley LSD	45.5	44.8	44.9	50.3	51.2

Table 18					
Agricultural and Residential Property Tax Rates (Effective):					
1981-1993					
	1981	1990	1991	1992	1993
Waynesville Corp	43.5	47.6	49.3	46.4	48
Corwin Corp	33.8	42.3	44.8	41.9	43.5
Springboro Corp	34.7	43.4	39.4	38.5	36.7
Lebanon Corp	38.9	39.7	38.2	41.2	42
Franklin Corp	33	42.1	39.3	39.1	39
Bellbrook Corp	47.9	46	45.2	54.3	55.04
Centerville Corp	40.5	45.9	45.8	47.9	49.9
Wayne LSD	34.6	42.1	44.6	41.7	43.3
Lebanon CSD	38.6	37.8	36.5	40.6	40.5
SugarCreek LSD	44.8	45.7	44.6	53.5	54.4
Franklin LSD	33.3	41.6	38.6	38.5	38.4
Spring Valley LSD	39.6	43.9	44.1	48.9	48.6

D. "Quality of Life" and the Site Selection of Business and Industry Location.

The increased competition for economic development by public and private economic development groups has focused a growing amount of attention on a collective group of community factors called "quality of life". A national survey conducted by the American Economic Development Council in 1988 revealed that the most important "quality of life" factor was the quality of schools. A favorable social environment and high-quality housing tied for the next most important factor. Social, cultural, and recreational opportunities were also important, while small town atmosphere was relatively unimportant.

Amenities referring to quality-of-life-enhancing features have become more important because many industries, particularly in high-tech sectors, have become more "footloose" or freed from traditional, cost-oriented locational pulls. Since the "quality of life" factors are valued by more and more business leaders and skilled employees, firms may choose a site with a better quality of life even when other direct costs are not equal. The increased cost may be shifted to customers in the form of higher prices or to stockholders in the form of lower profits. In essence,

the quality of life factors positively affect the business executive's decision-making process in relocating, expanding, and also in starting their businesses.

Our survey for the Waynesville Community revealed that the vast majority of the residents were satisfied with the overall quality of life in the community. The residents were satisfied with their public school system and the various services provided by the local government. The Waynesville Community apparently possesses the quality of life factors that are advantageous to the recruitment of non-polluting, high-technology manufacturing industries.

V. CITIZENS PERSPECTIVE ON ECONOMIC DEVELOPMENT

A stated goal of this project is to enable the leaders of the Waynesville Community to develop and implement a strategic plan for controlled, economic growth. Implicit in a growth plan is the need to represent the voice of the people affected. The methodology for collecting community input was a community attitude's survey. The survey was designed to gather important opinions from citizens of the Waynesville Community on issues that are crucial to planning future development. A telephone survey was chosen as the medium to aid in the data collection. The telephone survey was conducted specifically to identify the residents' opinions on topics of importance to both the Village of Waynesville and Wayne Township. Besides basic demographic data of the respondents, the major topics covered in the survey included the desirability of future economic growth, the effectiveness and responsiveness of local government, and the satisfaction level with current government services.

The survey questions were developed as a collective effort between different governmental agencies who have an interest in receiving the answers to some basic questions of importance to Waynesville Village and Wayne Township. Initially, a rough draft of the questions was submitted to the project liaison. The liaison took our initial submission of the rough draft of the questions and added some relevant information that the different governmental bodies wanted included to insure that all information vital to having a successful questionnaire was covered. This questionnaire was reviewed at a meeting of the economic development council, where each question was discussed to decide whether it should be included in the final survey. The economic development council consisted of trustee members, members of the village council, a representative from the school, and concerned citizens. After a final review process, the questionnaire was approved by each respective, governing body.

Prior to administering the survey, a sampling method was devised to ensure an appropriate representation of results for both the Village and the Township. Taking into consideration that there were different governmental sponsors who had varying questions that needed to be answered,

a philosophy of treating the entire population as one entity would not guarantee that a true representative sample of the population could be reached. This method would not reveal any important differences in opinions and attitudes among citizens of the Village and the Township. To overcome the problem, it was decided to use a stratified sample to insure an adequate sample size for both the Village of Waynesville and Wayne Township. A stratified sample is one where a heterogeneous population is subdivided into two or more homogeneous subparts(strata). The purpose of stratification is to reduce to a minimum the sampling variance of the estimates within the total sample size, thus maximizing the amount of information obtained. Stratification is useful when the strata are of primary importance. This was done to ensure that the necessary statistical requirements for accurate sampling were satisfied.

One Hundred and Forty (140) residents participated in the telephone survey. The participants were chosen at random, using the telephone directory as the source for this information. All telephone numbers for the population were inputted into a computer and then the telephone numbers were randomly selected using a computer generated random number list to determine who to contact to participate in this survey. Using this list, we placed over 600 phone calls. In some cases there was no answer or we received a "busy" signal. Of the successfully completed calls, 35% of the people participated in the survey, 45% of the people were not interested in participating and the remaining 20% were business locations, churches or people outside the sample size (i.e. Clearcreek Township.)

One limitation of using telephone surveys is that households who do not subscribe to telephone service are excluded from the survey. Nevertheless, a telephone survey was determined to be the most effective method to collect the opinions of the citizens of the community.

A. SURVEY RESULTS

In calculating the survey results only those responses to the questions which reflected an opinion were included in the final survey tally's. Therefore, households answering "no opinion" to a question will not be reflected in the percentage calculations for each question. The standard error for each question is used to compute the confidence level associated with that question. This

standard error is used to determine the overall statistical significance of the responses to each question.

The survey results are presented on a question by question basis. A restatement of the question is followed by the percentage response for the question. This gives a flavor of how the Community as a whole responded to each question.

1.) How long have you been in your current residence?

	Village	Township
less than 3 years	28.6%	20%
3 to 5 years	20%	10%
5 to 10 years	31.4%	21.4%
over 10 years	20%	48.6%

2.) How long have you lived in Waynesville?

	Village	Township
less than 3 years	21.4%	18.6%
3 to 5 years	32.9%	25.7%
5 to 10 years	7.1%	12.9%
over 10 years	38.6%	42.9%

3.) Where did you live before moving to Waynesville?

	Village	Township
Dayton area	51%	18.6%
Cincinnati area	6.1%	25.7%
Other city in Ohio	32.7%	12.9%
Outside of Ohio	10.2%	42.9%

4.) Did you live in a ...

	Village	Township
City	64.0%	73.3%
Village	4.0%	0.0%
Township	32.0%	26.6%
Other	0.0%	0.0%

5.) What prompted you to decide to move from your prior residence?

	Village	Township
Employment	26%	13.3%
Family	24%	28.9%
Dissatisfaction with environment	10%	17.8%
Other	40%	40.0%

6.) If you could select only one reason why you chose to live in Waynesville, which of the following would it be...

	Village	Township
Location	31.9%	32.9%
Environment/atmosphere	36.2%	31.4%
Cost of living	10.1%	4.3%
School system	5.8%	14.3%
Other	15.9%	17.1%

7.) In your best estimation, how long do you see yourself living in the Waynesville area? (could be same area but different home)

	Village	Township
less than 3 years	4.3%	7.1%
3 to 5 years	8.6%	11.4%
7 to 10 years	12.9%	12.9%
over 10 years	74.3%	68.6%

8.) Where do you get your information on the local government activities?

	Village	Township
Newspaper	58.0%	61.8%
Newsletters in mail	13.0%	14.7%
Bulletin Boards	0.0%	0%
Public Meetings	5.8%	0%
Word of Mouth	23.2%	19.1%
I have no interest	0.0%	4.4%

For the Township, the following questions deal directly with the services provided by the local government. I would like for you to respond from the following choices:

	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied
The Sheriff's Dept	7.3%	14.5%	65.5%	12.7%
The amount of protection provided by the sheriff's dept.	11.5%	19.7%	60.7%	8.2%
The Fire Dept.		1.8%	45.5%	52.7%

	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied
The water system	6.8%	18.6%	54.2%	20.3%
Is your water	Private 5.9%	County 7.4%	Village 23.5%	Well 63.2%
The overall utility cost	1.4%	18.6%	78.6%	1.4%
The Gas & Elec. Serv	0%	11.4%	78.6%	5.7%
Is it...	DP&L 88.4%	CG&E 11.6%		
The Cable TV serv	4.0%	4.0%	84%	8.0%
If you don't have is it.	Don't Want 52.2%	Not Avail 47.8%		
The condition of your street		7.2%	72.5%	20.3%
The overall condition of Township streets		11.4%	77.1%	11.4%
Snow removal for your street	4.5%	16.4%	61.2%	19.4%
Snow removal for the Township		12.3%	73.8%	13.8%
Overall appear. of the roadside	1.4%	12.9%	80%	5.7%
Enforcement of building codes	2.4%	21.4%	76.2%	
Enforcement of zoning codes	2.3%	11.6%	81.4%	4.7%
Lack of development of industry	5.0%	36.7%	50%	8.3%
Lack of development of comm. business		35%	55%	10%
School system		9.4%	62.3%	32.1%
The Township Gov't	1.8%	12.5%	82.1%	3.6%
The Chamber of Commerce	3.9%	3.9%	74.5%	17.6%
The overall Environment			77.9%	23.5%
The overall "quality of life"			62.3%	37.7%

For the Village, the following questions deal directly with the services provided by the local government. I would like for you to respond from the following choices:

	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied
The Trash Pickup	1.4%	4.3%	56.5%	37.7%
The Police Dept	1.4%	1.4%	54.3%	42.9%
The image the Police Dept has in the community	4.7%	4.7%	60.9%	29.7%
The amount of police protection	3.0%	9.1%	65.2%	22.7%
The Fire Dept	0.0%	1.6%	58.7%	39.7%
The Water System	3.0%	10.6%	72.7%	13.6%
The Sewer System	2.9%	10.3%	77.9%	8.8%
The overall utility cost	4.6%	9.2%	75.4%	10.8%
The Gas & Elec serv	0.0%	10.1%	78.3%	11.6%
The Cable TV serv	0.0%	22.4%	62.1%	15.5%
The condition of your street	4.3%	24.6%	53.6%	17.4%
The overall condition of Village streets	0.0%	31.4%	61.4%	7.1%
Snow removal for your street	4.5%	41.8%	44.8%	9.0%
Snow removal for the Village	9.0%	26.9%	56.7%	7.5%
Overall appear. of the Village	0.0%	2.9%	67.1%	30%
Enforcement of building codes	4.3%	44.7%	42.6%	8.5%
Enforcement of zoning codes	6.6%	46.6%	35.6%	11.1%
Lack of development of industry	1.5%	35.4%	55.4%	7.7%
Lack of development of Comm. Business	1.5%	29.2%	55.4%	13.8%
School system	1.8%	14%	42.1%	42.1%
The Municipal Gov't	3.1%	23.4%	68.8%	4.7%
The Chamber of Commerce	1.7%	11.7%	53.3%	33.3%
The overall environment			66.2%	33.8%
The overall "quality of life"			54.4%	45.6%

"VERY GOOD" The next part of the survey deals with the specific issues associated with growth.

10.) Is the amount of growth your community experiencing...

	Village	Township
Insufficient	3.2%	11.8%
Satisfactory	61.9%	54.4%
Excessive	34.9%	33.8%

11.) Who should be held accountable in attracting businesses and industry to locate in the area?

	Village	Township
Township Trustees	6.3%	3.5%
Village Council	9.5%	3.5%
Chamber of Commerce	12.7%	7.0%
Private Citizens	1.6%	5.3%
A Coalition of above	69.8%	80.1%

FOR THE TOWNSHIP:

The following questions are going to be used to help get a picture of Waynesville in the future.

	YES	NO
Would you like to protect our small town image	98.5%	1.5%
Would you favor establishing a plan to actively attract selective development	67.2%	32.8%
Would you like to see the Waynesville Corp. Boundaries expanded	36.8%	63.2%
Would you like to have one trash service contracted by the Twp that would provide curbside recycling	63.8%	36.2%
Would you like to have a water system to hook up to	59.2%	40.8%
If yes, What is the maximum one time hook up cost you would pay	Up to \$2,000 (50%)	up to \$3,000 (33.3%) up to \$5,000 (16.7%)
Would you like to see the Waynesville police dept. service the Twp.	40.4%	59.6%
Would you like the Twp to have their own Police	36.2%	63.8%
Would you like to see more services(Doctors, Lawyers, Accountants) in the area	46.3%	53.7%
Would you like to see more Retail stores(i.e. Shops, Dry cleaners, Restaurants) in the area	48.6%	51.4%
Would you like to see liquor served in the local restaurants, grocery stores or carry-outs	32.8%	67.2%
Would you like to see more fast food establishments	29.9%	70.1%
Would you like to see more commercial family recreational facilities(such as miniature golf, ice skating, arcades, etc.)	49.2%	50.8%
Would you like to see a community center	81.8%	18.2%

Would you like to see a specific area in Wayne Twp designated for industrial growth	61.7%	38.3%
Would you like to see St Rt 73 expanded to four lanes	72.1%	27.9%
Would you agree with some type of tax abatements to bring in new businesses	50%	50%

FOR THE VILLAGE

	Yes	No
Would you like to protect our "small town" image	95.6%	4.4%
Would you favor establishing a plan to actively attract selective development	71.4%	28.6%
Would you like to see the Waynesville Corp boundaries expanded	40.3%	59.7%
Would you like to see a public parking lot service the downtown area	56.9%	43.1%
Would you like to see more public benches on Main St	69.7%	30.3%
Would you like to see more services (i.e. Lawyers, Doctors, Accountants) located in town	51.5%	48.5%
Would you like to see more retail services (i.e. Retail shops, Dry Cleaners, Restaurants) located in town	50%	50%
Would you like to see liquor served in the local restaurants, grocery stores & carry-outs	27.9%	72.1%
Would you like to see more fast food establishments	20.6%	79.4%
Would you like to see more commercial family recreational facilities (such as miniature golf, arcades)	33.8%	66.2%
Would you like to see a community center	71.9%	28.1%
Would you like to see a specific area in Wayne Twp designated for Industry	59.7%	40.3%
Would you like to see St Rt 73 expanded to four lanes	55.2%	44.8%
Would you agree with some type of tax abatement to bring in new businesses	28.6%	71.4%
Would you like to see a merger between Waynesville and Corwin	30.6%	69.4%

13.) I'd like to get some information on your perception of your local government

FOR THE VILLAGE:

Do you see the Village Council as responsive to the public?

Yes	No
71.7%	28.3%

Do you feel as though you are able to influence the Village Council?

Yes	No
38.9%	61.1%

Do you believe you have an opportunity to participate in the local governing activities?

Yes	No
81.5%	18.5%

FOR THE TOWNSHIP:

Do you see the Township Trustees as responsive to the public

Yes	No
78.4%	21.6%

Do you feel as though you are able to influence the Township Trustees?

Yes	No
46.3%	53.7%

Do you believe you have an opportunity to participate in the local governing activities?

Yes	No
82.5%	17.5%

I'll conclude the survey by obtaining some demographic information.

14.) What is your age range?

	Village	Township
Under 25	1.4%	2.9%
25 to 40	48.6%	38.6%
40 to 60	27.1%	42.9%
Over 60	22.9%	15.7%

15.) What is your marital status?

	Village	Township
Married	88.6%	82.9%
Single	2.9%	5.7%
Other	8.6%	11.4%

16.) What is your approximate household income?

	Village	Township
under \$30,000	17.1%	18.5%
\$30,000 to \$60,000	58.6%	53.8%
\$60,000 to \$100,000	22.9%	18.5%
Over \$100,000	1.4%	9.2%

17.) What is your educational level?

	Village	Township
High School Grad		34.3%
Some College		38.6%
College Grad		15.7%
Graduate Degree		8.6%
Other		2.9%

18.) What is your employment status?

	Village	Township
Employed Full Time	30.0%	61.4%
Employed Part Time	22.9%	4.3%
Retired	27.1%	11.4%
Unemployed	15.7%	2.9%
Other	4.3%	20%

19.) Do you rent or own your home?

	Village	Township
Rent	14.5%	8.6%
Own	85.5%	91.4%

20.) If you own your home, what would you say the value of your home is?

	Village	Township
under \$50,000	3.5%	4.7%
\$50,000 to \$75,000	3.5%	17.2%
\$75,000 to \$150,000	86.0%	40.1%
Over \$150,000	7.0%	37.5%

21.) How many children do you have living in your household?

	Village	Township
None		
One		40%
Two		60%
Three		
Over Three		

22.) Are any of these children not enrolled in the Wayne Local school system?

	Village	Township
Yes	44.7%	42.9%
No	55.3%	57.1%

23.) If yes, is it because they are...

	Village	Township
Too Young	70.0%	47.4%
Too Old	15.0%	36.8%
In Private School	15.0%	15.8%

For the Township

24.) Do you live on a...

Township Rd 62.3%	County Rd 18.8%	State Rd 8.7%	Not Sure 10.1%
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25.) What is the size of your property?

Under 1 acre 17.2%	1 to 3 acres 32.8%	3 to 6 acres 20.3%	6 to 25 acres 23.4%	over 25 acres 6.3%
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While examining the responses to the various questions, some interesting ideas are exposed. The citizens of Waynesville Village seem to prefer to maintain the "small town" image which has proven important to attracting tourists to the town. There is also a predilection for a strategic economic plan which is designed to selectively attract economic growth. The citizens of the Village also favor the building of a community center along with the installation of more public benches along main street. The Township residents agree, with an additional wish to have a more inclusive trash service, to include curb side recycling. Additionally, all respondents are in

agreement that a coalition needs to be formed within the Township and Village to plan, monitor and approve the future economic development of the Waynesville Community.

The citizens of both the Village and the Township are opposed to the proliferation of outlets designed to provide alcohol for consumption. The citizens are also opposed to any future expansion of the Waynesville Corporation boundaries. The Villagers are against any further development of the fast food market. They also responded negatively to the idea of a merger between Waynesville and Corwin. Township residents share the Villager's predisposition against more fast food establishments. The Township residents also expressed dissent when questioned about the possibility of increased police protection from either Waynesville Village police or a separate Township police department.

This community attitudes survey provides Community leaders with many facets of information to consider when formulating a growth strategy. An analysis of the community responses suggests that most individuals within the Waynesville Community are not predisposed to uncontrolled economic growth. This is reflected in the percentage responses to various questions and their expressed desire to maintain the image of a 'small town.' Only in regards to the questions which dealt with the possibility of future growth, not questions where respondents were given a choice of growth or no growth, did we receive responses which the citizens show some disposition towards growth.

B. FOCUS GROUP RESULTS

This section represents the results of a focus group discussion that was held to gain further insights into the issues that were addressed in the community attitudes survey. The first focus group question dealt with the type of business/industry which Waynesville should try to attract. It was pointed out by the focus group participants, and corroborated by the telephone survey, that there is a lack of diversity in the retail shops located in Waynesville. Some specific underrepresented businesses include dry cleaning, hardware stores, and bakeries. Some reasons proposed as to why these businesses may flourish in the future, as opposed to before, included

some of the following: People are tired of having to drive 15 to 20 minutes to shop in a crowded shopping center. In a society that places a premium on leisure time, wasted time spent driving to and from shopping malls is time spent inefficiently. Also, with a greater number of people moving to the Waynesville Community, there exists more opportunity for a retail business to provide everyday items. Retail outlets that provide items such as hardware, groceries, and household items have the potential to flourish and serve the community.

The focus group discussion identified small businesses as being more palatable than large businesses. The types of businesses they felt could be attracted to the Waynesville Community include light manufacturing, assembly, warehouse and distribution type businesses. These industries would bring more jobs to the Community and they would help to increase the tax base.

Also, the focus group discussants felt that at the heart of the issue of growth is developing a policy which attracts business to help increase and sustain the tax base for the Waynesville area. As a 'bedroom community', with an already established tourism industry, any growth in industry must take into consideration the preservation of this established industry. It was mentioned that the atmosphere of Main Street is cherished by almost all residents of the Community, and it would be inappropriate to destroy this atmosphere by allowing commercial growth to ruin this carefully cultivated image.

A locational strength identified in the focus group discussion was Waynesville's almost 'exact middle' location between Cincinnati and Dayton metropolitan areas. Access to the U.S. major highway system is excellent, with Interstate 71 and 75 not more than 10 minutes drive. The town itself is a strength in that it offers a quiet, relatively crime-free area to open and operate a business. This fact should not be overlooked when devising development plans. Waynesville is also approximately 15 to 20 minutes away from the airport located in Wilmington, OH. This airport is a hub for Airborne's national and global delivery system. Access to the airport gives local businesses global reach for their products. With the ever increasing globalization of the economy, any limit on the ability to ship goods would be perceived as a negative to prospective businesses.

A weakness addressed by the focus group was the location of some of the Township's land in a flood plain. This land would need to be built up before it would be usable as a possible site to locate a business. Another weakness is the prevailing anti-growth mood that seems to permeate the Township. It was pointed out that there is a perception of a "close-minded attitude" in the Community towards any new growth. This perception appears to stem from the desire to maintain Waynesville as a small town community where people live, free of the trappings of big city life. Some focus group participants felt that this attitude has been responsible for keeping businesses away who previously expressed an interest in locating in the Community. The community attitude issue will need to be addressed if any plans to recruit new commercial ventures are to have a fair chance for success. It was also pointed out that the infrastructure which is in place to offer to new businesses has some limitations. The sewer system is under study to determine whether to update or expand. This is perceived as a negative by current business leaders.

Ideas proposed for a growth strategy were numerous. The business leaders felt it was important to have a strategic plan in place. This plan must be agreed to by the various municipalities concerned. The plan must also be actively followed. From all appearances, without future expansion of boundaries, the Village of Waynesville is reaching its physical limit to expansion, thus most of the growth will be concentrated in the Township. The business leaders felt a commercial/business park was the key to attracting new businesses. This should be coupled with tax incentives to recruit new endeavors. In the 'competitive environment' currently active in Southwestern Ohio, an attitude of 'we will do nothing for you but come do something for us' was described as insufficient. Other Counties and municipalities are actively offering infrastructure improvements, tax incentives and various other inducements to sway businesses to select their area as a new location. The general consensus of the business leaders is that if Waynesville wants to grow it may be necessary to level the playing field by offering some of those same types of incentives.

The final observation of the business leaders is that a successful economic development strategy will require that the Community pull together to support a strategy for future growth. It

was emphasized that a majority of the people in the community must be supportive of selective growth, or an environment conducive to future expansion may never materialize. With a consensus will come a newfound attitude to attract and accept new businesses.

VI. Forecasting the Future Population Growth for the Waynesville Community

The previous sections of this report identified the ingredients of an appropriate economic development strategy for the Waynesville Community. An understanding of these ingredients should be of assistance to government officials, business leaders, developers, and school board members in making informative decisions in various areas of the future development of the whole community. An important ingredient in the formulation of such an economic development strategy is the outlook for future population growth in the community.

A. Determining Estimators:

Our efforts to estimate the future population growth for the Village of Waynesville and Wayne Township were inhibited by several factors: The population projections conducted by government agencies are not available at the Township or the Village level and there is a lack of relevant data about the Township and the Village. Some of the estimators we used to make population estimates were building permits, sewer hook-ups and school enrollment. For Township population estimates, we employed the pupil enrollment data for the Wayne local school system. In other cases building permit data were used to anticipate population growth. Each of these estimators has certain limitations, but collectively they seem to indicate an uptrend in future population growth.

1. Building Permits

Table 19 presents the results of using building permits to estimate the population. A time series forecasting method was employed to calculate the population for the Village of Waynesville. This method suggests that population for the Village of Waynesville will be 4490 by the year 2000. Building permits can overestimate population growth because of several major factors: (1) There is a lag between the issuance of permits and the completion of the building and (2) The issuance of a permit does not necessarily guarantee the actual building will be constructed. Accordingly, the estimator may not be reliable in terms of estimating population changes.

Table 19				
Population Estimates Based on Building Permits for Single Residences (Waynesville Village)				
Permit Data		Forecasts		
Year	Permits	Year	Permits	Population
1988	56	1994	97	2511
1989	33	1995	107	2775
1990	42	1996	116	3066
1991	64	1997	126	3381
1992	101	1998	136	3723
1993	79	1999	146	4093
		2000	155	4490

Source: Building Permits data was obtained from the County Planning Commission
Note 1: Future permits are calculated by using the estimated time series model
2: Population increases in a specific year from the previous year is obtained by multiplying the building permits for single residences in the previous year by per household population in 1990, which is 2.7183.

2. Sewer Hook-ups

Sewer hook-ups of the Village of Waynesville are an accurate reflection of the actual housing units in the Village because we can assume that each housing unit in the Village has a sewer hook-up. We use the Village's population of 1949 and 710 housing units collected from the 1990 Census to obtain the Per Household Population in the Village. This figure is equal to $1949/717 = 2.7183$. To construct a time series regression, the six years worth of data provided by the Village are the data points for the analysis. The future population is obtained by multiplying the future sewer hook-up by the factor 2.7183 (per household population in 1990 Census.) According to this method, the Village of Waynesville will have a population of 2738 by the year 2000. The results are summarized in Table 20.

The sewer hook-up is in theory a valid approximate estimator because: (1) All the sewer hook-ups in the Village of Waynesville are provided by the government and the record includes are of the residential units (2) The Village's record of the 1990 hook-ups is roughly equal to the number of total housing units in the Village (710) reported by the Bureau of Census and (3) The

utilization of the most recent sewer hook-up data in our estimation of future population growth enabled us to consider the ongoing development trend in the Village.

Table 20				
Population Estimates Based on Sewer Hook-ups (Waynesville Village)				
Hook-up Data		Forecasts		
Year	Hook Ups	Year	Hook Ups	Population
1988	666	1994	830	2280
1989	699	1995	858	2356
1990	717	1996	886	2432
1991	737	1997	914	2509
1992	760	1998	942	2585
1993	820	1999	970	2661
		2000	997	2738
		2005	1136	3119

Source: Sewer Hook-up data was obtained from the Clerk of the Village of Waynesville
 Note 1: Hook-up forecasts are calculated by using the estimated time series model:
 $\text{Hook-up (in a future year)} = -54602.7 + (27.8 * \text{Year})$
 2 Population (in a future year) = Hook-up (in that year) multiplied by 2.7183

Although helpful, we can not be too optimistic about our population projection using the sewer data. There are two problems associated with such projections for the Village of Waynesville. First, the time series regression analysis based on six observations begs the question of statistical validity. Second, our estimation of the future population growth in the Village is based on an implicit assumption that the Village has sufficient vacant land or can annex land to accommodate any future growth. Since the Village of Waynesville currently has 99% of its available land either developed or scheduled for development, its future population growth prospects rests with its ability to expand within the Township in addition to other constraints.

3. Pupil Enrollment

For Wayne Township (combined), pupil enrollments in the Wayne local school district could be a good estimator of the population of the Wayne Township as a whole. Using the enrollment information, we first calculated the per household pupil enrollment comparing the 1990 Census data and the actual enrollment data for 1990. The total enrollment in 1990 was 1082 in the

Wayne local school district. There were 2069 households in Wayne Township (combined). This equates to a .58 pupil per household ratio. We then estimated the future enrollment by employing the time series regression technique and obtained a forecast of the number of households. The total population of the Township (combined) was 5744 and there were 2069 households in 1990. We divided the population by the total households (5744/2069) and obtained the per household population ratio (2.7762.) The final population forecasts were obtained by multiplying the estimated households by the per household population. The population is projected to be 7644 for Wayne Township by the year 2005. The results are reported in Table 21.

It should be noted that the underlying assumptions we make when we estimate the future population of the Township (combined) using the pupil enrollment data are: (1) The per household pupil enrollment in 1990 remains relatively unchanged over the future period of time and (2) The per household population in the future years is roughly the same as that in 1990. These two assumptions are reasonable because the composition of the population in the Wayne Township as a whole should not change significantly over the next five to ten years.

Of course, the reliability of the population estimates based on the pupil enrollment information are open to question because the time series regression equation is based on seven data points, which again begs the question of statistical validity. Nevertheless, since such estimates employed the most recent information of pupil enrollment, this method can be expected to give us a reasonably reliable projection of the future population for the whole Township.

4. County Projection Estimator

Population projections as well as other projections have become an important work of the Department of Development at the state level. Such projections are conducted on the basis of complicated forecasting models which take into consideration many factors affecting the population change, and thus are widely cited because of their reliability. However, we can only use the population projection for the County as an estimator to calculate the future population of the Township combined.

Table 21
Population Estimates Using Pupil Enrollment Data
(Wayne Township Combined)

Enrollment Data		Forecasts		
Year	Enrollment	Year	Enrollment	Population
1988	1125	1995	1284	6146
1989	1073	1996	1316	6299
1990	1082	1997	1347	6447
1991	1146	1998	1378	6596
1992	1193	1999	1409	6744
1993	1206	2000	1441	6897
1994	1291	2005	1597	7644

Source: Enrollment data was provided by the school board of the Wayne LSD
 Note 1: Enrollment forecasts are calculated by using the estimated time series model:

$$\text{Enrollment (in a future year)} = -61059.3 + (31.25 * \text{Year})$$

 2 Future Household data are calculated by dividing the enrollments by per household pupil ratio (.58) in 1990
 3 Population estimates are obtained by multiplying the households by per household population (2.7762) in 1990

We did our estimation by using the following steps: (1) Calculated Wayne Township's (combined) percentage share of the total population in 1990 and 1992, based on the data collected from the 1990 Census and 1992 Estimates (2) Obtained the average of the two ratios for the Township combined. By using the average instead of either the 1990 ratio or the 1992 ratio, we hope to more accurately reflect the development momentum in effect during the early 1990's in the Waynesville Community; and consequently, enhance the reliability of our estimate. The results are reported in Table 22.

Table 22
Wayne Township's Share of Warren County Population (1990 and 1992)

	1990 Census	1992 Estimates	1990 Share	1992 Share	Average
Warren County	113909	119816	-	-	-
Wayne Twp Combined	5744	5981	5.04%	4.99%	5.02%

Source: (1) 1990 Census and Estimates of Ohio's Population
 (2) Percentages are calculated by authors.

To estimate the future population of the Township (combined), we multiplied Warren County's population projection by the Village's and the Township's share. The estimated future population for the Township (combined) is summarized in Table 23.

Table 23			
Population Projection for Wayne Township Combined (1995-2005)			
	1995	2000	2005
Warren County	123,100	132,000	138,700
Wayne Twp Combined	6,180	6,626	6,963
Source: Warren County's Population projections are obtained from the Ohio Department of Development.			

The population estimates in Table 23 are relatively reliable because the population projection about Warren County was estimated by the Office of the Strategic Research at Ohio Department of Development. We get quite similar population estimates for Wayne Township if we use the Warren County population projections estimated by the National Planning Association. As explained by the NPA office, "a population projection is a mathematical outcome based on assumptions about trends in fertility, mortality, and net migration. ... Data used in preparing these projections came from: 1990 Census of Population; Ohio Vital Statistics, 1980-1990 net migration, and IRS county-to-county migration flows." This method of projection the future population is valid statistically and the projections are relatively credible: Our use of the Township's (combined) share of Warren County's population in 1990 and 1992 to estimate the Township's future population is also reasonable. The implicit assumption is the Township's share of the County population will not significantly change in the next five to ten years. By utilizing the 1990 and 1992 ratios, we expect that any population growth momentum in the early 1990's should have been captured in our estimation of the Township's future population.

Based on the estimation above, the Wayne Township's (combined) population will increase to 882 persons in the year 2000, a 15.36% increase from its 1990 level. (Table 24)

Table 24				
Population Growth in Wayne Township Combined				
(1960-2000)				
	1960-1970	1970-1980	1980-1990	1990-2000
Wayne Twp Combined	18.87%	14.16%	-1.7%	15.36%
Warren County	30.12%	16.11%	14.74%	15.90%

We believe that the underestimation in our future population estimates for Wayne Township as a whole is a likely scenario for the following two reasons: (1) Warren County's population growth rate is projected to be 15.9% between 1990- 2000, the second highest in the state of Ohio (first is Delaware County) (2) Net migration (in-migrants minus out-migrants) in Warren County between 1980 and 1990 was ranked second in terms of rate of net migration and fifth in terms of overall number in the State of Ohio. The net migration, which is regarded as one of the major factors of population changes within a region, was used in calculating the County's population projection.

We could also use the same methods to estimate the population growth for the Village of Waynesville based on the County's population projection and the Village's share. However, such estimation can not take into consideration any annexation effort which is a major restraint of the future population growth in the Village and is therefore not reliable.

B. Forecasts:

The forecasts for the Township (combined) based on pupil enrollment and County projections complement one another. Based on our estimation, the population in Wayne Township (combined) will grow by an amount ranging from 882 to 1153, from its level in 1990, which is an increase of approximately 318 to 415 households (Table 25).

Policy makers should be aware of the boundary restraint to the future residential growth in the Village of Waynesville. If the Village of Waynesville can expand its present boundary by

annexing new land, it can capture the vast majority of the future population which is forecast to occur in the community.

Table 25					
Summary of Population Estimates I					
(Village of Waynesville and Wayne Township)					
	Waynesville	Wayne Township		Wayne Twp Combined	
Year	Estimator	Estimator	Estimator	Estimator	Estimator
1990-2000	Sewer Hook-ups	Pupil Enrollment	County Projection	Pupil Enrollment	County Projection
Net Population Change	789	364	93	1153	882
Net Household Change	290	125	28	415	318
Note: The above assumes that Corwin Village's population remains unchanged.					

Table 26		
Summary of Population Estimates II		
(The Village of Waynesville and Wayne Township)		
	1990 Census	2000 Forecast
Waynesville	1949	2738
Wayne Township	3569	Between 3662 and 3933
Wayne Township Combined	5744	Between 6626 and 6897
Note: Assume Corwin Village's population remains unchanged.		

Location of Growth: Population growth occurs in certain patterns. Large cities, for example, tend to grow towards each other. With this information, as well as on-site inspection of new developments in the community, it is expected that the majority of the future residential growth will take place along SR 73, west of the Village of Waynesville towards Springboro, and north of the Village of Waynesville in the Lytle area, towards Centerville.

VII. FISCAL IMPLICATIONS

The population projections in the previous sections suggest that the Waynesville Community can expect an increase in the rate of residential population growth to the year 2005. The increase in population will require an expansion of public services. This section will address the likely pending fiscal implication of the projected population growth. The approach we have adopted to make this assessment is what we call break-even analysis. This method involves calculating public expenditure per household and then, given the prevailing tax rates, the market value of residential properties that will generate enough tax revenue to meet the per household public expenditure requirement.

The break-even analysis method identifies what portion of government services is funded by the tax dollars provided by residential property taxes. Our calculations assume that the future level of government spending will be equivalent, per household, to the current level of government spending. The second assumption is that there will be no future business growth to contribute to the tax base of the community. The second assumption allows us to calculate what the mean value of the new homes must be to provide the current level of services to any new households.

The formula for calculating the per government and per pupil expenditures was derived by the following methods. These methods were developed in conjunction with the Warren County Auditor, Mr. Nick Nelson. Using 1994 data, total school enrollment for 1994 was 1291. The total expenditure amount attributed to property tax dollars was \$2,377,736. The effective tax millage per \$1,000 of property value for 1994 was 27.1381. Tax valuations for Warren County are figured at 35% of market value, with an additional 12 1/2% reduction for rollback and owner-occupied residences. So the overall effective residential property tax rate in the Waynesville School District is 15.4347 mills. The per pupil expenditure is adjusted for the number of pupil times the pupil to household ratio(.58) to determine the school expenditure per household as follows:

$$\$2,337,736/1291= \$1810.80\text{-Per pupil expenditures}$$

$\$1810.80 \times .58 = \1050.26 -Per household expenditures
 $\$((1050.26)/.875)/(27.138/1000) = \$44,229.39$ -Value of House
 $\$124549/.35 = \$126,369.69$ -To adjust for the collection of only 35% of market value

The per household government expenditure calculations are derived in the same manner, using 1992 data. 1992 is the last time period in which actual population figures are available to calculate the household ratio. \$406,022 was the total 1992 government outlays. We subtract from this figure the intergovernmental revenue to get our basis for calculating per household expenditures. This figure was divided by the 1992 population and multiplied by the household ratio to determine the per-household government expenditure level. Next we divided by the effective tax rate to determine the market value of a home that is necessary to support the addition of a new household.

$\$406,022 - \$157,223 = \$248,799$ - Total outlays minus intergovernmental revenue
 $\$248,799/2022 = \123.045 - Per person expenditures
 $(\$123.045 \times 2.816)/.875 = \396 - Per household expenditures
 $\$346.494/.0068121 = \58132 - value of house
 $\$58132/.35 = \$166,091$ -market value of house required to generate \$396 in tax dollars

According to our calculations, each new house added to the Waynesville Village Community between now and 2005 must have a market value of \$166,091 to provide sufficient tax dollars for the government to break-even. As of the 1990 Census, the upper percentile, not the median, for home values in Waynesville was \$94,100, or 57% of what is required to meet the public service needs of new residents at current property tax rates.

Thus, unless Waynesville wants to restrict residential growth to the high end of the market, it would appear that new residential population growth will put significant upward pressure on property tax rates to break even. The new homes would have to be at least 77% higher in value than the market value of more expensive upper quartile homes currently in the Waynesville Community unless the Community experiences a significant increase in its non-residential property tax base.

In a recent study of the effects of tax abatements on community development offered to industries if they would reinvest and upgrade their business, it was determined that the revenues collected from tangible personal property tax were greater than the property tax value which was abated to incentivize the industry to remain and reinvest. To alleviate upward pressure on its residential property, the Waynesville Community may find it necessary to adopt a more aggressive industrial growth strategy; a strategy that might include tax abatements for targeted industries. This idea, and others, will be explored in the final section of the report. This section presents recommendations for a controlled economic development strategy for Waynesville.

VIII. Economic Development Strategy for the Waynesville Community

A. The Development Issue at Waynesville

Though economic development can be initiated from within the community, it is, to a larger extent, dictated by market trends and forces. However, should the Waynesville Community choose to become an active participant in shaping its future, the development of an implementable economic development strategy is of the utmost importance. Such a strategy would provide a mechanism for the community to pursue desirable growth.

Economic development has been a debated issue in the Waynesville Community. As revealed by our community attitudes survey, many citizens appear to be satisfied with the current level of economic development and are concerned about the impact of future economic development on the community. Instead of addressing ways to enhance the economic base of the community, these residents were comfortable with the lack of significant industrial and commercial business development in the area. Many of the respondent indicated that they choose to live in Waynesville because of the community's good location and nice environment.

On the other hand, many citizens realize that growth and change are inevitable and, consequently, favor selective development. As a result, of all the Waynesville citizens surveyed, approximately 50% endorse the expansion of more professional and retail services within their community. The focus group discussion with business leaders uncovered almost unanimous support for a strategy to expand the Community's economic base while at the same time preserving the residential ambiance of the community. Furthermore, the business leaders see development opportunities which the community could leverage to its advantage. Additionally, local government officials felt that the pressure for economic development is increasing. Their view is that an enhanced tax base will be necessary to continue to provide the quality of public goods and services to which most residents have become accustomed.

B. The Need, Opportunities, and Potential for Development

Whether it is initiated by internal forces in the community or by the external environment, growth and change will continue to take place in the Waynesville Community. According to our economic trend analysis, this growth is embodied in the construction of residential homes, the formation of new businesses and the growth of government services. However, more important is the other side of the coin: the community is confronted with a pressing need for economic development to alleviate the increasing property tax burden which will be required to merely sustain the current level of goods and services provided by the local government and school district.

As uncovered by our citizens' survey, the majority of the community residents are satisfied with the various public goods and services furnished by the local government. However, growth in the tax base is projected to lag behind growth in spending needed to service the projected residential population growth. Under our status quo estimates, the property tax burden will have to increase to maintain current levels of per pupil school and per resident government expenditures and service levels.

Broadly defined, at the juncture of its development, the Waynesville Community is confronted with two options. One option is to try to maintain the 'status quo' by not trying to recruit new business or industry. However, as the financial analysis section indicates, population growth will put upward pressure on the local property tax rates if maintaining current public service levels is to be achieved, unless the Community can attract high valued residential property. This problem will be compounded if any of the current businesses close. Moreover, the fiscal impact calculations do not take into consideration the impending problem with MCI. It would appear that the amount of MCI's contribution will not only decrease, but there is the possibility that MCI will be due a refund for excess tax payments.

The other option is to initiate a more aggressive strategy which targets future business/industry growth. As our analysis has shown, the Waynesville Community is located in a dynamic regional setting. Its growth and change have never occurred in isolation of its surrounding communities, nor will it. The ongoing economic development of the neighboring communities

provides opportunities as well as challenges for the Waynesville Community. Proctor & Gamble, a Fortune 500 and multinational conglomerate, is consolidating its operations into Warren County; the beltways of the Cincinnati metropolitan area and Dayton metropolitan area are thriving because of business expansion and various relocation's. Most cities in Warren County are improving their environment for economic investment in order to be competitive in recruiting desired businesses and industries. If the Waynesville Community can not proactively exploit such opportunities to its own interests, it will likely suffer from increasingly higher taxes or reduced government services.

The potential for the Waynesville Community to pursue its desired economic growth can not be underestimated. In traditional industrial locational theories, convenient transportation is one of the most important factors affecting industrial firms' locational choices. This is still an important consideration when firms make locational decisions. On the other hand, various "quality of life" factors including the quality of local schools, a favorable social environment and high-quality housing are valued by more and more industries, especially those in the high technology sectors. The Waynesville Community possesses these two strengths. It is only a 10 minute drive to the City of Centerville, a rapidly growing beltway city of the Dayton metropolitan area, its only 20 minutes driving distance to the Dayton General Airport, and only 25 minutes away from the City of Wilmington, where the Airborne shipping company is located. In addition, the overall quality of life in the Waynesville Community is highly satisfactory. The Community has a quality school system and a nice environment for living. The overwhelming majority of the residents appreciate the quality of life in their community. Without any doubt, there exists significant potential for the Community to pursue growth and change.

C. The Economic Development Strategy

As stated, the Waynesville Community can opt to pursue a "business-as-usual" policy towards future growth and change. As highlighted with the per person and per pupil tax calculations, Waynesville can continue to focus on residential development and discourage industrial development. If such a policy is pursued, the residents must be willing either to bear an

increased property tax burden (if they desire the continued provision of government goods and services) or, they can allow the deterioration of the public goods and services. Our calculations suggest that current tax revenues will fall short of meeting the needs associated with the projected population growth. Moreover, under this option the lack of an industrial/commercial business base could be disadvantageous to the community's stability in the long run.

The other option is to adopt a comprehensive economic development strategy. One component of the development strategy should be the identification of selective development opportunities for industrial/commercial business development. Another component should focus on the preservation and enhancement of the community's distinctive characteristics, while another component should focus on residential growth. The selective development of industrial/commercial business can be consistent with the residential character of the community if it is organized to satisfy the community's values and goals. Such development must also be commensurate with the community's image. One such criterion for this highly selective appropriate industrial/commercial activities that meet these criteria are small-scale, non-polluting industries in the services, high-technology, and manufacturing sectors.

Historical, cultural, and aesthetic resources enhance a community's distinctiveness and livability. The Waynesville Community is renowned for its antique shops and recreational resources. A strategy to preserve and enhance these resources will not only improve the overall quality of life but also generate leverageable economic benefits for the community. Such actions are conducive to enhancing the retail and commercial tax base and attracting high-valued residential development. They can also lead to an appreciation of existing property values. In any case, future residential growth should be taken into consideration when planning for the provision of government services to accommodate the foreseeable population increase. Residential density and housing structures could be controlled by implementing a thorough and well-thought out land use plan.

IX. SUMMARY AND RECOMMENDED ACTION STEPS

A. Summary

This study explored the need for creating a formal economic development plan for the Waynesville Community. A citizen's survey indicated that the citizenry are receptive to a controlled economic development strategy provided it preserves the residential ambience of the Community. Economic trends analysis and a focus group session with business leaders identified a number of economic development opportunities consistent with these conditions.

Market trends and forces dictate growth and change. Citizens' actions are needed to shape the development patterns, and costs, of their communities. But such action can not ultimately prevent change. The wise choice for the concerned citizens, planners, developers, and governmental officials in the Waynesville Community is to direct future growth toward community goals and values, and the desired image by conscientiously involving themselves in the dynamic process of development. Such involvement implies the need to carefully define a desirable community image and goals, to selectively attract the desired development, and to earnestly formulate and firmly implement feasible action plans based on the chosen strategy. By following some of the recommendations of this report, we feel that the Waynesville Community can have the best of both worlds, an attractive residential community with quality schools and governmental services and selective industrial/commercial development.

B. Recommended Action Steps

For a development strategy to be effective, the strategy must be translatable into a viable and supported action plan. Following are some recommendations to aid the community in implementing the three-pronged economic development strategy as suggested above:

1. Establish Industrial/Commercial center.

The community should establish an Industrial/Commercial Center to accommodate selective economic activities. An Industrial/Commercial Center provides the community a mechanism to control the level, amount, and type of growth. This Center should be located in an

area that utilizes basic infrastructure services that are already in place. This Center should also be located in a place that allows the Main Street section of town, which is the major tourist attraction, to coexist. This separation between the industry and Main Street is necessary to ensure that the small town character is maintained throughout any such growth. This Center will allow different industries and businesses ease in 'hooking up' to the local services such as water service and sewer service. This central location also eases the cost of providing these services.

2. Provide Economic Incentives

To successfully establish an Industrial/Commercial Center, the local government should also consider implementing some of the following tools to enhance the attractiveness of locating a business in Waynesville. One tool which is successful in attracting business to locate in a specific community is the offering of tax incentives. Tax incentives can be structured in a number of different forms. Some incentives are structured to ensure that the tax revenue which would be lost to the school system is still paid, while the revenue for government services and so forth is abated. One avenue created to allow communities to offer tax abatement is the Ohio Rural Enterprise Zone Program. This program allows for tax incentives, such as the abatement of real and tangible personal to recruit new businesses. Another program is the Ohio Reinvestment Area Program, which allows only for the abatement of real property taxes. These tax abatement programs specify the length of time and the amount and type of taxes available that can be abated. The incentive programs are designed to allow businesses to experience smaller start-up costs than are normally associated with the development, or relocation of a new business. This type of incentive has been very successful in facilitating businesses decisions in Mason, Lebanon and many other Ohio communities.

3. Develop an Infrastructure Improvement Plan

Another tool to attract business/industry is to establish a plan to offer infrastructure development and services to prospective businesses that will cross Township, Waynesville Village and possibly Corwin Village boundaries. The basic infrastructure include water and sewage service. Any agreements and contracts which are needed to facilitate the various governing bodies

should be negotiated, signed and in place before attempting to attract any industry or business. Any business deciding to locate in Waynesville will want to have agreements pre-negotiated to allow the infrastructure plan to be implemented when the business facility is built.

4. Provide Promotional Literature

Another development tool to complement the Commercial/Business Center plan would be an effective promotional literature campaign which will be used to aid in the business selection process. Various forms of promotional literature can be used. Local leaders can collaborate to develop a "community resume" to be sent to businesses expressing an interest in relocating in Southwest Ohio. Promotional brochures should also be developed that can be used in conjunction with the community resume. These literature forms should be on file with the regional planning commission in Warren County. This will allow prospective businesses the opportunity to receive information from the source from which they will first contact, the county development commission. Another element of the promotional plan would be to develop a video tape to be distributed to interest businesses. This would allow business prospects to get a look at possible future location sites. This video should emphasize the quality of life attributes, such as the proximity of Caesar's Creek, as well as the community's business location attribute.

5. "Main Street Program"

The second component of the suggested three-pronged strategy is entitled the "Main Street" program because the antique shops are the major distinctive characteristic of the community. The "Main Street" Program is designated as such because Main Street is the center of the Antique shops in the Waynesville Community. The "Main Street" program, as envisioned, encompasses all the activities pertaining to the preservation and enhancement of the community's historical, cultural, and aesthetic resources. Elements of this program can include some of the following ideas. The continuation of the Main Street committee designed to accomplish the following: 1.) A policy of city ordinances which enforce the preservation of the Main Street atmosphere. These ordinances can take the form of town requirements similar to those which directed the building of

the new fast food restaurant, McDonald's. 2) Policies to promote and enhance the antique and recreational image of the Waynesville Community. These might include packaging, in various promotional literature, the attraction of the Main Street in Waynesville, which includes the antique shops and the small town environment, with the water sports which are available at Caesar's Creek. This type of advertising can possibly try to create a weekend trip encompassing many different fun, recreational ideas which appeal to all members of the family, be it parents or children. As tourist traffic increases in the area, more businesses which supply secondary income-type jobs will begin to locate in the community to exploit the business opportunities.

6. Blueprint for Residential Growth

To implement the third component of the recommended development strategy, it would be helpful to provide a blueprint for residential growth. The residential growth in the community should be controlled to meet desired residential density, structure and other various requirements. Such a blueprint would enhance the Waynesville Community as a place of residence. The residential plan must also address the housing demand which will be created by any industrial/commercial development. Residential growth controls can take many different forms. One of the most effective is to use zoning laws to control the size of future residential housing developments. For example, by designing zoning laws which require all residences to have at least one acre plots, or one half acre plots, this type of action will control the number of houses which can be built.

7. Create Coalition Committee

Before any action plans can be mapped out and implemented, the community must reach a consensus over the future development strategy. This consensus could be developed by a coalition committee, which could be established to formulate, implement, and monitor the action plans. The idea of a Coalition Committee to develop and monitor the economic growth of the community was supported by a majority of both Village and Township residents. This Coalition Committee is deemed to be the most important part of the strategy. Because of concern about future development, it will be imperative that the members of this Coalition Committee continue to guide

the growth within the community. This Coalition Committee should represent all facets of the community life; business owners, citizens, and government officials. Since most residents in the community are comfortable with the lack of industrial development and commercial businesses, a community-wide consensus must build a development strategy for the future based upon the need, potential, and opportunities for the communities' economic development.

8. Emphasize Tourism

This element is designed to take advantage of one of Waynesville's acknowledged strengths, its location. As eluded to when discussing the Main Street program, Waynesville is located approximately 15 minutes from the popular weekend water attraction of Caesar's Creek. This natural tourist attraction should be utilized to its fullest potential to maximize the types of businesses that would be attracted to the Waynesville area. Facts about the number of people who visit Caesar's Creek should be included in the promotional literature to demonstrate the potential customer base future businesses can reasonably expect. This would aid in the decision-making process of prospective businesses when considering the viability of opening a business in the Waynesville Community. The combination of the attraction of Caesar's Creek added to the natural tourist attraction from the Main Street program should be packaged to encourage more tourist-oriented businesses to locate in the Waynesville Community.

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