

March 18, 2019

The Honorable Rep. Paul Zeltwanger
Ohio House of Representatives, 54th District
77 South High St., 12th Floor
Columbus, OH 43215

Dear Chairman Zeltwanger:

The Southeastern Ohio Port Authority urges your committee to pass the pending legislation that will reinstate the Rural Industrial Park Loan program (House Bill 98). As Executive Director of the Southeastern Ohio Port Authority and member of many local development groups, I have seen firsthand the need for move-in ready sites and buildings to meet the demand for companies who want to locate in our region.

The Mid-Ohio Valley is comprised of the Marietta-Parkersburg Metropolitan Statistical Area, and has long been a leader in the manufacturing, financial, and medical fields. Since the growth of manufacturing operations post WW2 to the rise of polymers, plastics and resins industries in the early 80's, the region has been home to some of the most successful fastest growing companies in the world. Their continued presence has helped cultivate a varied and highly skilled workforce, while also emphasizing quality and competitiveness.

Today Southeastern Ohio finds itself in the heart of the Shale Crescent USA, one of the world's largest reserves of Natural Gas. As a result, the region boasts unparalleled advantages in petrochemical related activities while also maintaining a diverse 21st century economy that embraces opportunity for workers in all fields. As a result of the growing demand for site ready locations, Southeastern Ohio finds itself coming up short to adequately meet the need with site ready availability. Our lack of site ready inventory further demonstrates why the Rural Industrial Park Loan is needed to prepare area sites for companies interested in southeast Ohio.

In 2010 when the Southeastern Ohio Port Authority was securing funds to build a 35,000 sq. ft. building to help fill the void of available manufacturing space, the Rural Industrial Park Loan was a critical piece of the funding that enabled the project to become a reality. The Port Authority applied for, and received, funding from the Rural Industrial Park Loan and companion funding from the Rural Development Initiative Grant. Other funding to complete the project was received from the Jobs Ready Site Grant, a grant from the Appalachian Regional Commission, and a Community Development Block Grant. Those funding opportunities are no longer available.

Southeastern Ohio has not benefitted from the economic growth that Ohio has enjoyed following the Great Recession. This is due in part because Southeastern Ohio cannot compete on the same level as larger cities who have a vast inventory of move-in ready sites and buildings. The site selection process, which is a major driver of economic growth, identifies sites and buildings that have the necessary utilities and studies in place to minimize risk and maximize speed to secure a site for new industry. Simply put, if communities do not have an inventory of sites and buildings, they do not have a product to market to site selectors and industry.

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Previous state programs, such as the Rural Industrial Park Loan Program, Urban & Rural Initiatives and the Industrial Site Improvement Fund, were utilized with great success to develop speculative sites and buildings in distressed areas of Ohio. Unfortunately, these funding programs are no longer available to fund these initiatives today. The Facilities Establishment Fund, which has been receiving loan repayments from previous iterations of development programs, is well-capitalized with roughly \$200,000,000 in the fund.

Assistance towards the distressed areas of Ohio will have a strong return on investment for the state. In the short-term, funds will be recouped for development costs associated with these projects and in long-term taxes generated through commercial activity, sales and income tax will grow Ohio's General Revenue Fund, while providing much needed jobs. This program is a win-win.

The Southeastern Ohio Port Authority staff and Board of Directors strongly support the reinstatement of the Rural Industrial Park Loan as a key tool for economic development in rural Ohio. Thank you for your consideration.

Sincerely,



Mark A. (Andy) Kuhn,
Executive Director

CC:
Vice Chair Powell
Ranking Member Sobecki