



The Honorable Senator Dolan
Ohio Senate, 24th District
1 Capitol Square, 1st Floor
Columbus, OH 43215

Dear Chairman Dolan:

I am writing as a proponent to retain language in HB 166 to reinstate the Rural Industrial Park Loan program (House Bill 98 and Senate Bill 137) at \$25M in FY 2020.

As Executive Director of the Ohio Mid-Eastern Governments Association (OMEGA), a Local Development District which serves ten Appalachian counties in Eastern Ohio (Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas), I hear frequently from the local economic development professionals in the region about the lack of shovel-ready sites and modern industrial buildings.

OMEGA is actively engaged with four counties in the region that are developing new industrial parks in anticipation of, in part, continued growth in the oil, natural gas, petrochemical, plastics and polymers, steel, logistics, and other industries. Each county has a demonstrably excellent record of attracting business and are out of space, but the lack of funding sources for speculative development is a significant barrier to growth.

Our region has not fully recovered from the Great Recession. This is partially attributable to a lack of competitive 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 for 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. Reinstating the Rural Industrial Park Loan program would help mitigate this competitive disadvantage because when time, risk and cost to acquire and develop property are greater in a community, capital investment and job creation are inhibited.

Muskingum County exemplifies the need for this program. The Zanesville Muskingum County Port Authority (ZMCPA) has successfully developed three industrial parks. The businesses in these parks currently employ thousands of people and Muskingum County is home to nine Fortune 500 companies; however, these parks are at or near capacity. To address this need, the Zanesville Muskingum County Port Authority, in conjunction with Muskingum County and the City of Zanesville, recently invested \$2.9 million to purchase a 203-acre site that has ready access to I-70 and the Zanesville Muskingum County airport.

The ZMCPA completed preliminary engineering site development, preliminary environmental reviews, and is planning to extend an access road through the site as well as utilities. Utilities are readily available at the entrance to the National Road Business Park but will need to be extended throughout the site. The ZMCPA is currently pursuing funds for the access road but does not yet have all the resources to complete the road or to extend the utilities such as water and sewer.

Reinstatement of the Rural Industrial Park Loan Program will facilitate the development of the National Road Business Park resulting in business attraction, expansion opportunities for existing businesses and continued growth of the County's gross domestic product, which increased by almost 10% during the past year.

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. These tools helped build, among other speculative projects, an industrial park and an industrial building in the OMEGA region, both of which continue to provide jobs and revenue to local and state governments.

Unfortunately, there is no such program in place to fund initiatives. The Facilities Establishment Fund, which has been receiving loan repayments from previous iterations of development programs, is well-capitalized with almost \$300,000,000 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 the development costs associated with these projects and in long-term the revenue generated through commercial activity, sales and income tax will grow Ohio's General Revenue Fund, while increasing employment in rural Ohio.

The current and predicted growth of the oil and natural gas and petrochemical industries in Appalachian Ohio present a unique opportunity for our region to grow a sustainable economy which benefits our residents, but we know we have already missed prime business attraction opportunities because we didn't have a ready site. Reinstatement of the Rural Industrial Loan Park Program is a critical component of our economic transformation.

I urge you to reinstate this program which will allow our region to fully capitalize on this generational economic development opportunity.

Sincerely,

OHIO MID-EASTERN GOVERNMENTS ASSOCIATION



Jeannette M. Wierzbicki, P.E.
Executive Director