



**Director Lydia L. Mihalik  
Ohio Department of Development  
Ohio Senate Transportation Committee  
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Chairman Patton, Vice Chair Schaffer, Ranking Member Antonio, and members of the Senate Transportation Committee, thank you for the opportunity to offer testimony on House Bill 54, the Executive Transportation Budget for State Fiscal Years 2026 and 2027.

My name is Lydia Mihalik, and I am the Director of the Ohio Department of Development.

At Development, we empower communities to succeed by investing in the people, businesses, and neighborhoods that make Ohio great.

Economic development is a competitive arena. The kind of success we have seen across Ohio in the past five years doesn't happen in a vacuum. It takes innovative thinking and targeted investments to ensure every community—whether it's one of our charming small towns or bustling big cities—has the tools to become Ohio's next great economic success story.

As a former mayor, I understand the unique challenges communities can face in trying to improve their infrastructure to support business growth and development. In some instances, officials or businesses in communities like yours reach out to us with projects to help their communities grow. In other cases, we work on business expansions and new projects brought to us by JobsOhio and its regional networks.

In either case, we work closely with the Ohio Department of Transportation (ODOT), local leaders, and economic development professionals to put our communities in the position to add or retain jobs and improve the lives of residents. Building these partnerships puts Ohio's communities on the path to future investment and unprecedented economic success.

When we are approached for help, we go to work to identify the right support we can offer to move a project forward. A critical piece of that strategy is the Roadwork Development Grant program, which helps communities widen roads, pave streets, and enhance right-of-way infrastructure—all in support of new business projects that create jobs and ignite investment. Roadwork Development grants are available for projects primarily involving manufacturing, research and development, high technology, corporate headquarters, and distribution activity.

These funds are provided to local jurisdictions and often have a job creation or retention component. However, the focus of the program is to improve a community's infrastructure. As you know, infrastructure is a key driver of economic development. These projects may not always be pretty, and they are often expensive, but there's no denying that businesses need reliable, well-maintained roads to transport goods, access customers, and connect to supply chains.

This transportation budget funds this program at \$15.2 million in each year of the biennium. All dollars must be spent on public roadways, and the Controlling Board must approve each grant.

In FY24, we supported 21 roadwork development projects throughout the state, utilizing the \$15.2 million in total funds appropriated. So far in FY25, we have awarded ten projects for a total of \$4.2 million in support. With several other projects in the pipeline for this fiscal year nearing recommendation, we expect to once again fully utilize the \$15.2 million in total appropriation.

This is a strategic investment with a proven track record of success. Over the past several years, the Roadwork Development Grant has helped pave the way—literally and figuratively—for businesses to set up shop and grow in Ohio.

Recent projects have facilitated the expansion of manufacturing facilities, supporting hundreds of new, high-paying jobs; improved transportation access to industrial parks, making Ohio even more of a destination for new employers; and upgraded roadways near logistics hubs, ensuring businesses of all sizes can efficiently move products across the state and beyond.

For instance, we approved \$523,000 in November to support the expansion of the Euclid Chemical Company in Cleveland. The roadwork, which includes adding new traffic signage and reconstructing approximately 1,000 feet of a road, will not only accommodate increased traffic, but also significantly enhance safety at the location. In addition to creating 12 new jobs, this project will also retain 117 jobs.

Job creation is important to Ohio and to the communities where it happens. That is why we went to work in Fairfield County after DHL announced it was expanding its footprint in Ohio. Thanks to a Roadwork Development Grant we approved in April 2023, the community was able to widen roads and add sidewalks and crosswalks. The project created more than 170 new construction jobs, in addition to the estimated 200 DHL jobs.

Ensuring Ohio roadways are safe and reliable is also critical. In 2019, severe flooding and heavy rains compromised the stability of Monroe County Road 26, creating significant safety risks and threatening to cut off access to American Mine Service near Clarington. Development approved \$1.5 million in March 2023 to repair and improve the roadway to keep drivers safe. I am proud to say that the road is once again a safe route for workers and residents.

When communities have the proper infrastructure, they can achieve incredible things. By funding strategic improvements like these, we are making Ohio an even more attractive place for businesses of all sizes to invest and grow. However, its impact extends beyond just the businesses receiving direct benefits. These projects create ripple effects—supporting local construction jobs, boosting property values, improving the lives of our residents, and strengthening Ohio's long-term economic foundation.

As we look ahead, continued support for the Roadwork Development Grant is essential. The demand for these grants remains strong, and ensuring adequate funding will allow us to respond to opportunities quickly – keeping Ohio ahead in the competition for business investment.

Thank you for your time today. I would be happy to answer any questions you may have about the Roadwork Development Grant program.