



Director Lydia L. Mihalik
Ohio Department of Development
Ohio Senate Transportation Committee
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Chairwoman Kunze, Vice-Chair Reineke, Ranking Member Antonio, and members of the Senate Committee on Transportation, thank you for the opportunity to offer testimony on House Bill 23, the DeWine-Husted Transportation Budget for State Fiscal Years 2024-2025. 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 communities of Ohio.

Economic development is a competitive arena. 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 that can help their communities grow. In other cases, we work with business expansions and new business projects brought to us by JobsOhio and its regional networks. In either case, we work closely with the Ohio Department of Transportation (ODOT), local officials, and economic development professionals to put 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 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. One solution is to offer Roadwork Development Grants to help pay for widening, paving, construction, and right-of-way infrastructure improvements that can make the difference in landing an economic development project.

Roadwork Development Grants are provided to local jurisdictions, and many times have a job creation or retention component. However, the focus of the program is to improve the infrastructure in a community. Funds are available for projects primarily involving manufacturing, research and development, high technology, corporate headquarters, and distribution activity.

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 each grant must be approved by the Controlling Board.

Development works hard to support projects throughout the state. For instance, Advanced Drainage Systems has proposed a \$10.8 million project to build a new headquarters and engineering facility in Hilliard, Franklin County. To assist that project, we're committed to providing \$400,000 to help construct 1,100 feet of roadway from Britton Parkway to Lyman Drive. The work also will involve relocating stormwater infrastructure and extending a waterline. As a result of the project and the state assistance provided, Advanced Drainage systems expects to create 200 new jobs, generating \$20 million in new annual payroll, and to retain 322 jobs.

In Jerome, Union County, we're assisting with a major data center project involving Amazon Data Services. To support the project, we're committed to providing \$330,000 to widen Warner Road

between Industrial Parkway and Kile Road. The project includes traffic signals at Warner and Industrial Parkway and a turn lane at the Kile Road intersection. The focus of the funding is to support the project and improving the roads in that area. A secondary goal is job creation. The project will bring 50 new full-time jobs to Union County, generating \$3.5 million in annual payroll.

When Sherwin-Williams decided to build a 600,000-square-foot research and development facility in Brecksville, Cuyahoga County, we were there to help. Our support included a \$600,000 Roadwork Development Grant in 2021 to help pay for the full-depth replacement of a road in the project area. Increased traffic at the site would accelerate pavement degradation and create safety concerns, so the roadwork was needed to prevent that. The primary focus of the work is to address the safety of the road, but the project also is expected to result in 400 new full-time jobs and the retention of 3,924 existing jobs.

Job creation is important to Ohio and to the communities where it happens. That's why we went to work when the Mahoning County Engineer's Office reached out about a proposed Macy's Corporate Services LLC project in Jackson Township. The \$29.9 million fulfillment center project promises to create 417 new full-time-equivalent jobs along with retaining 55 existing jobs. Last year, Development awarded a \$250,000 Roadwork Development Grant to widen roads and add turn lanes to accommodate increased traffic at the project site.

Another major job-creation project that Development supports is the Eastgate Regional Council of Governments project in the village of Lordstown, Trumbull County. This project is expected to create 1,500 full-time jobs. In 2021, Development awarded \$340,000 in Roadwork Development Grant funds to resurface a road to allow the project to proceed.

In Lake County, we helped build a new roadway to support the Great Lakes Power Products Inc. project in the village of Madison. The \$200,000 in funding was approved in 2021. The project allows the company to consolidate its headquarters, manufacturing, and research and development as well as expand its manufacturing and service facility. The research and development square footage will allow for prototyping capability for the hybridization and electrification of off-highway vehicles and equipment. The project is creating 20 full-time jobs and retaining 45 existing jobs.

Apex Environmental LLC in the village of Amsterdam, Harrison County, is looking to grow, but the condition of Harrison County Road 51 is a problem. Employee and commercial vehicles are traveling an hour out of their way to avoid the road. In 2022, we approved a \$150,000 Roadwork Development Grant to reconstruct the road so it can handle the truck traffic to the Apex facilities, which are at the Jefferson County line. The project is expected to support the addition of 25 new full-time jobs and retention of 131 jobs.

In 2021, we also approved a \$700,000 grant to support the Table Mountain Industries LLC data center project in Lancaster, Fairfield County. The company is building the data center to join other data centers in New Albany and Columbus. The roadwork includes the reconstruction of Whiley Road and the addition of a right turn lane from State Route 188 onto Whiley Road. The work will accommodate the expected construction and employee traffic on the road.

Investing in Ohio's communities often means support for infrastructure. The Roadwork Development Grant program does just that by helping communities strengthen their infrastructure so they're ready

for investment. Communities then can show businesses what they offer to attract new or expansion projects.

When I speak to groups throughout the state, I often finish with a simple phrase: Remember, at Development, we're here to help. We do that by partnering with small businesses, community organizations, and local leaders. All of us want to make our state better, and we're here to help. Thank you for your time today. I'd be happy to answer any questions you may have about the Roadwork Development Grant program.