



WRITTEN STATEMENT FOR THE RECORD

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COMMISSIONER
ATHENS COUNTY, OHIO**

ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

INVESTING IN AMERICA: REAUTHORIZATION OF THE ECONOMIC DEVELOPMENT ADMINISTRATION

**BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS
AND EMERGENCY MANAGEMENT**

**U.S. COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
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VIRTUAL HEARING**

Chairwoman Titus, Ranking Member Webster, and distinguished members of the subcommittee, thank you for the opportunity to testify on “Investing in America: Reauthorization of the Economic Development Administration.” The U.S. Department of Commerce’s Economic Development Administration (EDA) and its programs are vital for economic recovery, expansion, and job creation in counties across the country, facilitating economic and job growth at both the local and regional levels. As the nation continues to respond to the COVID-19 pandemic and pivot towards recovery, support for EDA and its programs is more important than ever.

My name is Lenny Eliason, and I am the President of the Board of Commissioners in Athens County, Ohio. As county commissioners, my colleagues and I play key roles in economic development by bringing in new business and industries to our communities, as well as keeping established employers from moving away. I also serve on the National Association of Counties (NACo) Board of Directors in my capacity as Past President, and I am glad to be representing NACo here today.

About America’s Counties

Counties are highly diverse, not only in my state of Ohio, but across the country. They vary immensely in natural resources, social and political systems, cultural, economic, and structural circumstances, and public health and environmental responsibilities. Counties range in size from 26 square miles to 87,860 square miles and have populations varying from just under 100 residents to over ten million.

Counties’ responsibilities are often mandated by both the states and federal government. In many states, we are responsible for public health, child welfare, consumer protection, economic development, employment and workforce training, emergency management, land use planning, zoning, and environmental protection.

Local and regional economic and workforce development is a critical component of these responsibilities. Day-to-day, counties tackle such challenges as unemployment and underemployment, and we work to develop local economic growth strategies. According to a 2014 NACo workforce survey, 84 percent of counties have established workforce training partnerships with local chambers of commerce, cities, state governments or regional economic development organizations. That same survey showed that more than 90 percent of counties participate in economic development activities, including workforce development, business recruitment and retention, regional marketing, small business support and infrastructure investments.

Additionally, counties play a major role in financing, administering, and coordinating federal workforce and economic development programs. This includes the EDA, a key pillar of the federal, state, and local partnership.

About Athens County, Ohio

Athens County is a rural county with a population of just under 65,000 in southeastern Ohio. The County remains heavily weighted from an employment perspective in the following industry sectors: government, accommodations and food services, retail trade and healthcare and social services. The county is also home to Ohio University, and the school holds an integral position in the local community and economy.

While Athens County has been significantly impacted by the decline of the coal industry, which once played a leading role in the region's economy, other industries have begun to grow in the area. Since 2016, Athens County has experienced growth in the energy, manufacturing, health care, financial and construction sectors. The county also continues to build and support its entrepreneurial and technology ecosystems and expects jobs in these areas to grow. A region's workforce is a critical measure of its economic success.

Challenges to Economic Development in Athens County, Ohio

Athens County, like others across the country, has been heavily impacted by the COVID-19 pandemic and has experienced a downturn in economic development since the public health emergency began. Programs have been suspended and canceled, pre-existing issues with access to technology and broadband have been exacerbated, revenue loss continues to be a major issue and nearly all forms of in-person economic activities have been reduced. The county is having difficulty keeping up with the increased demand for food aid, online learning, financial assistance, and other benefits. The coal industry, which was already in dramatic decline, has been hit especially hard.

All these issues have directly impacted tax revenues, which in turn impacts the county's ability to advance an economic development strategy for the region. Following closures in certain sectors, many of our residents have struggled to find new job opportunities matching their career skills. Athens County has a labor force of 27,100 with roughly 24,800 people actively employed.

We have worked to respond to these challenges by developing a multi-step plan that directly addresses many of the negative impacts experienced by local businesses due to the COVID-19 pandemic. The Athens County Economic Development Council, Athens Area Chamber of Commerce and Athens County Convention and Visitors Bureau have created a resource guide to help area businesses navigate current financial challenges. The resource guide categorizes assistance into three priority focus areas: resources, relief and rebound. Each of these priority areas are only strengthened by the work done by the EDA via programs provided to our county.

Other common challenges to Economic Development in Athens County include:

- **Broadband Infrastructure and Accessibility**: This is a challenge that extends beyond Athens County throughout the southern Ohio region. A 2019 Appalachian Regional Commission funded study of eight counties, including Athens found that between 80-90 percent of households in areas of 20 or less households per square mile have no access to broadband services. The lack of adequate service also hinders economic development efforts around the county's remote work strategy, which aims to attract and incentivize those who can work remote completely to move to Athens.
- **Workforce and Affordable Housing**: Athens County has a housing shortage that ranges from workforce and affordable housing to mid-level housing stock. This housing shortage has a direct negative impact on retaining and attracting talent to the county.
- **Site Development and Infrastructure**: As with many rural communities, access to capital for building projects and infrastructure improvements is a challenge. Athens County is unable to take advantage of site certification programs that make the county competitive for attraction and expansion projects due to lack of available sites and adequate infrastructure.

EDA investment in building and infrastructure projects helps the county leverage additional private sector funding and make projects less risky for developers and bank participation. More EDA investments for broadband infrastructure and accessibility would be helpful as well.

EDA Grant Projects in Athens County, Ohio

EDA's engagement, financing and support have been integral to our economic revitalization in the wake of the COVID-19 pandemic and its negative economic impacts, as well other, pre-existing challenges to economic development in the county including issues related to broadband infrastructure and accessibility, workforce and affordable housing and site development and infrastructure. Recognizing the need to diversify and stabilize our economy, the county has partnered with Ohio University on several projects related to economic and workforce development.

In September 2018, EDA awarded just over \$1.6 million through the Assistance to Coal Communities (ACC) initiative to Ohio University and the Ohio Valley Regional Development Commission of Athens to establish the Building Opportunities Beyond Coal Accelerating Network. The Network has supported workforce development, cluster expansion and opportunity zone enhancement and identified infrastructure investments needed to access local, national, and global markets. The project has led to job creation and served as a catalyst for economic development in southern Ohio communities that have been impacted by the decline of the coal industry.

In August of the following year, the county and our collaboration with the local university received an additional \$1.15 million through the Assistance to Coal Communities initiative, matched by a little over \$287,000 in local dollars, to fund infrastructure upgrades to the Ohio University Innovation Center in Athens County.

This project included the renovation of offices to provide an array of business incubation resources to expand, diversify and create new entrepreneur business opportunities. This in turn has led to job creation and served as a stimulant for economic development in the communities that have been impacted by the decline in the coal industry. The economic impact of companies supported by the innovation center since 2019 has resulted in the creation of 335 jobs, \$22.8 million in employee compensation and \$78 million in generated economic output for the region.

And, in January of this year, the county received a \$2.2 million investment through the EDA's Assistance to Coal Communities initiative, which has been matched by \$550,000 in local funds. The funding will go to Ohio University, the Buckeye Hills Regional Planning Council, and the Ohio Mid-Eastern Government Association to support an 18-county partnership by providing technical assistance to communities affected by the decline in the coal industry in Athens County.

The project will help regional leaders devise strategies to accelerate the economy's transition to new industries and develop prospectuses to help utilize the region's Opportunity Zones. Once completed, the project will catalyze a process of strategic recovery and ongoing economic resilience within this critical part of Appalachian Ohio.

This funding comes at a critical time, as the COVID-19 pandemic continues to compound the negative economic impacts of the decline in the regional coal industry and as long-term unemployment and underemployment grows.

Frankly, without the assistance of the EDA, we would not have the resources to pursue these kinds of transformational initiatives and economic development. EDA investments in our region, coupled with local and state funds, have helped to launch robust economic recovery and job expansion in our community.

EDA Programs Benefit Counties Across the Country

Since 1965, EDA has worked with local and regional stakeholders to address the fundamental building blocks for economic growth: infrastructure investment, business development, loans and financing, regional innovation strategies and public-private partnerships.

Counties strongly support EDA because the program focuses investments on the nation's most distressed areas, especially those suffering sudden or severe economic downturns caused by both pre-existing issues and those made worse by the COVID-19 pandemic. EDA's grants are particularly critical for rural areas, where resources for economic development can be scarce. Grants are awarded on a competitive basis, based on regional comprehensive economic development strategies (CEDs), and are developed and prioritized by local communities. This helps to ensure that projects have significant local support and are part of a broader regional plan, rather than isolated, uncoordinated local projects. Through local and regional partnerships, counties and the EDA are well-positioned to collaborate to address economic challenges impacting communities.

One major use of EDA grants for counties is for disaster recovery and economic assistance, which has been critical to counties' ability to respond to the COVID-19 pandemic. Earlier this month, EDA provided a grant of \$750,000, which was matched by a local investment of \$187,500, to the Medical Center of the Americas Foundation in El Paso County, Texas, that it will also share with the city of El Paso. The money provided will fund the Product and Supplier Development Lab program, which will create a lab of the same name, that will support innovators and companies working to address the shortage of PPE and other medical supplies, diagnostics, and devices.

The creation of this lab will generate impact in the community through the growth of new companies, living wage jobs and technology-based industry development. The program will serve three main purposes:

- bolster supply chain development and manufacturing expertise to produce critical items through assisting medical device suppliers and manufacturers to complete and meet necessary regulatory standards for the industry;
- support innovation and the development of new medical device production through design thinking;
- product development, and prototyping assistance; and
- Address public health concerns by increasing manufacturing capacity for PPE and medical devices, diagnostics, and ancillary supplies.

The \$1.5 billion in supplemental funding that EDA received through the CARES Act for COVID-19 recovery assistance has been helpful for counties across the country. In November of last year, EDA provided a grant of \$600,000 to the City of Gallup in McKinley County, New Mexico. Matched with \$150,000 in local dollars, the grant helped to support the city with recovery efforts from the COVID-19 pandemic by advancing transportation, logistics and autonomous vehicle industries in the county. The

project will support a master planning process for the municipal airport and autonomous vehicle industries in efforts to resume commercial air travel, which will in turn allow the transport of healthcare professionals and patients in need of critical care. Once completed, the project will diversify the regional economy by offering commercial air services, creating employment opportunities, helping businesses expand operations and advancing economic resiliency throughout the region.

EDA Reauthorization

Looking towards reauthorization of EDA, counties support increased funding and program flexibilities to expand EDA's reach to communities in need of economic revitalization and development and to enhance the program's utilization. EDA should receive a robust increase in funding to meet the demands of local communities for economic development resources and to properly reflect the leading role EDA plays in job creation in distressed areas. EDA's local match requirement may need to be reduced or waived to ensure severely distressed communities can apply and receive funding with a reduced or without a matching requirement, similar to CARES Act funding. Furthermore, increasing funds targeted towards essential infrastructure investments, including water, sewer and broadband would be beneficial counties, particularly rural ones in need but lacking basic resources to attract economic development investments.

In Conclusion

EDA has proven to be an effective program for counties, communities, and regions to aid in economic development and job creation. EDA programs and grants are a catalyst to spur recovery and innovation in communities, and they are uniquely tailored to meet local and regional needs and conditions. As we continue to respond to the COVID-19 pandemic, and shift towards recovery, EDA remains a vital tool for economic recovery. I have seen firsthand the difference the EDA can make in mitigating economic downturns and in supporting our efforts to create a stable and diversified economy here in Athens County.

The EDA is a program that works on the ground, is essential to helping communities' transition from one economy to the next and helps to broaden local economic development efforts. EDA helps provide the needed funding to make many projects come to fruition. It is successful because it gives local communities, the resources, tools, and knowledge to help ourselves, and counties strongly believe EDA should be reauthorized and receive increased funding.

Chairwoman Titus, Ranking Member Webster, and distinguished members of the subcommittee – thank you for having me here today. We appreciate your attention to this vital program, and I urge your continued support for the Economic Development Administration which helps build prosperity from the ground up at the local, regional, and national levels.

Thank you again for the opportunity to testify today on behalf of America's 3,069 counties. I would be happy to answer any questions.