

# Region 7 Economic Development Priorities Update: 1999 and Beyond

A cooperative effort of ten counties in Southern Ohio  
and the Governor's Regional Economic  
Development Office

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## INTRODUCTION

Region 7 represents 10 counties in Southern Ohio including Adams, Brown, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton. In 1993, the economic development officials in these counties and the Governor's Regional Representative worked collaboratively to develop a set of regional and county-specific priorities related to economic development. Through partnerships among the counties and with regional, state, and federal entities, many of the priorities listed in the 1993 document have been accomplished with significant economic development impact. In early 1999, the counties and the Governor's Regional Office made the decision to update the document in order to build on the many successes and create a framework for continued collaboration in the region and with the State of Ohio. This white paper is the result of that effort.

The first section of the document details some of the regional successes that were listed as priorities to be accomplished in the 1993 document. The second section lists the updated priorities for the region. Although the counties in Region 7 are diverse in many ways, these updated regional priorities are specific, actionable items that will benefit all the counties.

The county economic development officials in Region 7 look forward to working with the State of Ohio and appropriate regional partners in order to ensure that many more success stories result from this updated set of priorities. These priorities focus efforts on the key issues that must be addressed in order to provide the economic climate necessary for continued growth of the region.

## REGIONAL SUCCESS STORIES

The counties in Region 7, working collaboratively with the State of Ohio, have accomplished a great deal since the 1993 Regional Priorities White Paper. Listed here are some of the region-wide successes, many of them a result of priorities and recommendations listed in the 1993 document.

### Success: HB 442 – Urban/Rural Initiative

Region 7 took great advantage of HB 442, the Urban/Rural Initiative, which provided grants to upgrade or complete industrial sites. Six of the eight eligible Region 7 counties utilized this initiative. Some of the results are listed below:

**Urban/Rural Initiative Impact in Region 7**

<b>Recipient</b>	<b>County</b>	<b>Amount/Use</b>	<b>No. of new jobs/companies</b>
Southern Ohio Port Authority	Scioto	\$500,000 for remediation at New Boston Industrial Park	102 jobs-OSCO Ind.
Adams County Commissioners	Adams	\$193,500 for improvements to Moores Road Industrial Park	90 jobs-Weastec 75 jobs to be created by Premiere Vanity
Pike Community Action Commission	Pike	\$500,000 grant for water and sewer at Zahn's Corner Industrial Park	150 jobs-Mills Pride
City of Wellston	Jackson	Rehabilitation of Kuppenheimer Building	100+ jobs-Galerie au Chocolat
Vinton County Commissioners	Vinton	Water and sewer at the Vinton County Industrial Park	Currently one start-up firm.

### Success: First Frontier Fund

This public/private partnership allows Appalachian counties to double their advertising dollars and tie in with an innovative and high profile regional marketing program. Region 7 has published two high-quality marketing pieces, which appeared in Site Selection Magazine. What began as a ten-county project (Region 7) expanded to include five Region 11 counties. This unique regional approach to economic development marketing drew inquiries from economic development agencies throughout the state.

### Success: Human Services/Economic Development Partnership

The Governor's Economic Development Office helped establish a working partnership between state and local economic development and human services officials. Region 7 was the first in the state to have this partnership lead to joint marketing efforts. The collaboration led to local human services agencies providing the local match for the marketing pieces developed through the First Frontier Fund.

## **Success: Pre-Employment Training Program**

Region 7 had the highest utilization of Pre-Employment Training dollars in the state. Our universities, community colleges, and joint vocational schools took advantage of the available funds to work with business and industry to develop appropriate training programs and ensure maximum utilization of the funds. For instance, the PET program at the University of Rio Grande set a preliminary goal of training 58 people. As of May 1999, 117 people have been trained in such high-demand areas as nursing assistant, commercial driver (CDL), and childcare provider.

## **Success: Transportation Infrastructure Development**

- S.R. 32 (Appalachian Highway) completion to all four-lane
- Progress on U.S. 35 upgrades
- Funding committed to complete U.S. 35 in Ross County
- Funding committed to complete Chesapeake Bypass
- Completion of Aberdeen-Maysville Bridge
- Commitment to begin process of funding Portsmouth Bypass
- Funding request in progress to complete Chillicothe Bypass/Rt. 207

## **Success: Workers' Comp Reform**

The state now has a self-insured workers' compensation program and has moved from a flat fee to a user-pay system. This has led to significant savings for businesses and local governments. The savings can now be invested in job creation and infrastructure development in the region.

## **Success: Pilot Community Preparedness Project**

The Governor's Regional Office in Chillicothe and ODOD's economic development division implemented a mock site tour/community preparedness project in Gallia County in 1998. This project involved the use of senior ODOD staffers who served as company representatives that local officials had to tour around and inform about the site and community. A graduate student from Ohio University worked with the Chamber of Commerce to compile a comprehensive reference for the county to use to respond immediately to requests for information. The graduate student also prepared a series of maps showing the location of the site and county in relation to airports, universities, major markets, etc.

## **Success: Enterprise Zones**

Region 7 worked to secure bipartisan support from the state legislators representing the region to extend this important program. Every county in Region 7 has at least one enterprise zone. School districts have been increasingly involved in the enterprise zone process. Although not appropriate for every situation, these zones are crucial in making some significant economic development deals.

## Other Successes:

There are many other “success stories” in the region as a result of local/state/federal collaboration in moving forward on the 1993 priorities. Some individual county successes are listed in the *County Priorities* section of this document. Others relate to the many new and expanding businesses in the region and the infrastructure in place to support many more.

Southern Ohio still has much to accomplish. The next section of this document lists the updated regional priorities as developed by the county economic development officials in Region 7. These priorities are not vague, long-range plans, but strategic, actionable steps that will support continued economic growth in Southern Ohio. The counties in Region 7 look forward to working with state and federal officials to continue developing success stories that strengthen our Southern Ohio economy.

## REGIONAL PRIORITIES

### Human Resources

**Priority: Set in place and strengthen programs that support and further develop our regional workforce.**

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- **ACTION STEP**  
**Continued funding for the Pre-Employment Training Program through the Ohio Department of Development.**

Rationale: Region 7 had the highest utilization rate of Pre-Employment Training Program (PET) dollars in the state, and the program has been very successful in assisting economically vulnerable populations that are unemployed or underemployed in obtaining employment in the private sector. For instance, the PET program at the University of Rio Grande set a preliminary goal of training 58 people. As of May 1999, 117 people had been trained in such high-demand areas as nursing assistant, commercial driver (CDL) and licensed child care provider.

Partners: Ohio Department of Development, universities, community colleges, and joint vocational schools serving the region.

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- **ACTION STEP**  
**Award workforce development funding from Ohio Industrial Training Program (OITP), Workforce Investment Act, and other workforce development programs to support both job creation and job retention projects. This includes both single-company and multi-company training programs that target students, the unemployed, the underemployed, and dislocated workers.**

Rationale: The Ohio Department of Development needs to return to the policy of providing training assistance to job retention projects. Our best economic development success stories are related to retention and expansion of companies that have chosen to stay and grow here. As these industries invest in new machinery, technology, and product lines, they need support in maintaining a qualified workforce. When workforce training program dollars are flexible enough to support retraining for retention, we can further support our long-time industry partners who have made a positive contribution to our regional economy.

Partners: Ohio Department of Development, Ohio Department of Education, Ohio Department of Human Services.

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▪ **ACTION STEP**

**Bi-annual updates of regional wage and benefit information, including multi-state data necessary for the Ohio River border counties.**

Rationale: Wage and benefit information is vital for local and state economic development officials as they work to market our labor force and business climate. As of now, it is difficult to draw down useable data, even though much of this data is collected at the state level. Region 7 recently worked with Ohio University's Institute for Local Government Administration and Rural Development to complete a wage, benefit, and labor survey for the region. The continuity of this resource has great value in the recruitment of industries. Cooperation with the border states to Region 7 in order to combine data is also important, as the workforce is multi-state.

Partners: Ohio Department of Development's Labor Market Information, Ohio Valley Regional Development Commission, Ohio Works, employment offices in West Virginia and Kentucky, colleges and universities in the region.

## Capital Resources

**Priority: The ongoing development of a multi-modal transportation system that will allow Region 7 to be competitive in the global economy.**

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▪ **ACTION STEP**

**Work to complete and maintain the integrity of the region's two- and four-lane highways, including:**

- Completion of U.S. Route 35 (Ross County) four-lane
- Completion of Chesapeake Bypass relocating Ohio Route 7
- Completion of Chillicothe Bypass (Route 207)
- Completion of Portsmouth Bypass
- Upgrade of U.S. Route 62
- Ongoing limited access management of S.R. 32
- Ongoing limited access management of U.S. Route 23

Rationale: Southern Ohio’s future economic progress is dependent on its overall transportation infrastructure. Our region has made much recent progress on the development corridor highways, including the recent completion of S.R. 32 (Appalachian Highway), which is now four-lane from Cincinnati to Athens. Plans are in place to complete or upgrade other key corridors. It is imperative that the region work with the state and federal government to ensure that our corridor highways are completed, maintained, and upgraded as part of an intermodal transportation system.

Partners: Ohio Department of Transportation, Ohio Department of Development, Southeast Ohio Regional Council, Route 35 Commission, U.S. Department of Transportation, Appalachian Regional Commission, Ohio Valley Regional Development Commission, Route 23 Corridor Commission, KYOVA.

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▪ **ACTION STEP**

**Work toward completion of I-73/74—Great Lakes/Mid-Atlantic Corridor**

Rationale: This proposed corridor would provide interstate access to Southern Ohio, greatly leveling the playing field in terms of attracting new industry and expanding existing firms. Other states are moving forward with corridor completion. When neighboring states like West Virginia complete their sections, the corridor will dump traffic onto our existing north-south routes.

Partners: U.S. Department of Transportation, Ohio Department of Transportation, Ohio Department of Development, Appalachian Regional Commission, Ohio Valley Regional Development Commission, local governments in the 10 counties, Ohio I-73/74 Committee, Appalachian Delegation of the Ohio General Assembly.

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▪ **ACTION STEPS**

**-Expansion of existing general purpose Foreign Trade Zones to Southern Ohio and/or creation of a Foreign Trade Zone in Southern Ohio that will permit expansion throughout the region.**

**-Establishment of additional port authorities in Southern Ohio as directed by local government officials.**

Rationale: In order to compete economically, it is crucial that Southern Ohio counties use all the tools that larger metropolitan areas use, including port authorities and Foreign Trade Zones. For example, Region 7 counties can work with existing general purpose Foreign Trade Zones, such as the Rickenbacker Port Authority in Franklin County, for

expansion into Southern Ohio. It is important to examine the expansion option and the feasibility of establishing a Foreign Trade Zone in the region.

Partners: County commissioners in the 10 counties, local school boards, local and state development officials, U.S. Army Corps of Engineers, U.S. Customs, U.S. Department of the Treasury, Southern Ohio Port Authority, Rickenbacker Port Authority.

### ***Long-Range Planning for Intermodal Transportation***

In addition to the immediate priorities and action steps listed above, officials in Region 7 realize that a continuously viable intermodal transportation system takes long-range planning and consideration of what now might seem “futuristic” in terms of technology and potential corridors. Region 7 sees planning for current and future transportation needs as a top priority, including alternative systems such as rail, river, and air to enhance commercial, recreational, housing, and business development in the region.

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- **Action Step: A feasibility study examining the potential economic and social benefits of a high-speed rail corridor linking Southern Ohio to a major economic/labor market such as Columbus and to promote rural areas as alternative communities of residence for professionals from metropolitan areas.**

Rationale: Although still perceived as futuristic by many, high-speed rail has been considered for linking Ohio’s major metropolitan areas. The potential benefits for linking Ohio’s rural populations to metropolitan areas has not been adequately examined. With a high-speed mass transit system, Southern Ohioans could more easily access employment in the financial, technical, and service markets in metropolitan areas while remaining in their rural communities, increasing the local tax base, increasing the statewide workforce, and helping to stop the “brain drain” of professionals who must leave the rural area for jobs. Residents of increasingly congested metropolitan areas could choose a rural lifestyle while still maintaining their jobs in the city. Increased mobility enhances the quality of life for both rural and urban residents who want to enjoy the amenities that both cities and rural areas provide. Starting to examine the potential for high-speed rail makes sense in terms of long-term economic and community development statewide. This research should include examining similar rural/urban passenger rail systems in Europe.

Partners: Ohio Department of Transportation, Ohio Department of Development, Ohio Valley Regional Development Commission, Appalachian Regional Commission.

**Priority: Additional targeted small business/entrepreneurship support services**

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▪ **ACTION STEP**

**Funding for “circuit riders” to provide technical assistance and access to existing small business support services for entrepreneurs in the 10-county region.**

Rationale: County economic development officials in Region 7 get many requests from individuals who have potential viable small business ideas, but no idea where to access support services. The SBDCs and other business assistance agencies in the region provide quality services, but are not funded at the level it takes to reach many of these potential small business owners who find it difficult to access or even sort through the myriad of assistance available. A circuit rider would assist the region’s SBDCs as they coordinate existing small business support services on a case-by-case basis by going directly to the entrepreneur.

Partners: Ohio Department of Human Services, County Human Services offices, SBDCs, other small business assistance organizations, Ohio Valley Regional Development Commission, colleges and universities in the region.

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▪ **ACTION STEP**

**Increased support and coordination for downtown revitalization projects, including incentives for master planning and tax inducements for businesses to participate.**

Rationale: Although there are several sources of funding for downtown revitalization, including CDBG, the Main Street Program, and revolving loan funds, the existing programs are not coordinated. This lack of coordination, combined with a lack of requirements or incentives for a master plan, leads to piecemeal downtown projects. A more coordinated statewide package, combined with technical assistance for overall planning, would allow the same dollars to have more impact on our valuable downtowns.

Partners: Ohio Department of Development, CDBG program, Main Street Program, Ohio Historic Preservation Office, Downtown Ohio Inc., Ohio Retail Merchants’ Association, local governments, Appalachian Regional Commission, Ohio Valley Regional Development Commission.

**Priority: Financing to upgrade aging infrastructure and to provide new infrastructure to areas not previously served.**

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▪ **ACTION STEP**

**Reauthorization of HB 440 (Rural Industrial Park Loan Fund) and HB 442 (Urban/Rural Initiative), which allow for flexible use of dollars to develop or upgrade industrial sites on a speculative basis.**

Rationale: These two programs provide Region 7 the crucial leverage of attracting an industry to an already-completed site. The Urban/Rural Initiative (HB 442) was utilized by five counties in Region 7 and resulted successes such as:

- Environmental remediation at the New Boston Industrial Park and 102 new jobs at OSCO Industries in Scioto County;
- Improvements to the Moores Road Industrial Park in Seaman and 165 new jobs at Weastec and Premier Vanity Tops in Adams County;
- Water and sewer extension to the Zahn's Corner Industrial Park and 150 jobs at Mill's Pride in Pike County;
- Rehabilitation of Kuppenheimer building in Jackson County and 100+ jobs created by Galerie au Chocolat expanding from Cincinnati;
- Water and sewer to Vinton County Industrial Park (a start-up company has located there).

As these success stories indicate, flexible grant and loan programs such as HB 440 and 442 that allow for speculative development enable counties in Region 7 be a great deal more competitive in terms of industrial recruitment.

Partners: Ohio General Assembly, Ohio Department of Development, local economic development professionals, local elected officials.

**Priority: Marketing the region’s natural amenities and heritage to tourists in a sustainable manner that benefits communities and supports local small businesses.**

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- **ACTION STEP**  
**Pilot travel and tourism loan program that would enable communities to broaden their services to destination tourists and capture additional dollars.**

Rationale: The tourism industry, especially with the emerging trends of ecotourism and heritage tourism, has the potential to bring considerable outside dollars into small businesses in our region. It is important that communities be able to maximize those dollars. Since the majority of tourism money is spent by overnight stays, communities need to be able to support the development of lodging facilities, from hotels to small inns to bed and breakfasts, that attract destination tourists. Because Southern Ohio communities suffer from the loss of tax dollars as a result of the large amount of publicly-owned land, support for entrepreneurial efforts that allow communities to generate revenue from tourist activities is important.

Partners: Ohio Department of Development, Ohio Valley Regional Development Commission, Governor’s Office of Appalachia, Ohio Department of Natural Resources, Ohio’s Hill Country Heritage Area.

## Government Partnerships

**Priority: Increased collaboration among local, state, and federal entities to make programs work better for communities in Southern Ohio.**

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- **ACTION STEP**  
**More flexibility to use existing state funds, state-administered federal funds, and direct federal funds such as CDBG Economic Development Revolving Loan, 166 loans, Pioneer Loans, Rural Industrial Park Loans, EDA programs, USDA Rural Development programs, and Investment Tax Credits. For example:**

- **Allow the ODOD’s Office of Financial Incentives to issue “go forward” letters for 166 loans in the same manner that the Office of Business Development does for the 412 and 629 grants.**
- **Flexible requirements for Pioneer and Rural Industrial Park Loans related to collateralization and personal guarantees for smaller projects.**

Rationale: Communities depend on these state and federal dollars to make economic development deals, but often the requirements are too cumbersome for small projects, or terms are not flexible enough to meet specific project needs. An economic development deal that brings what would be considered a small number of additional jobs in a metropolitan area has a big impact on communities in Southern Ohio. Often programs are not flexible enough to make smaller deals with fewer new jobs created than the program requires. Often the amount of investment per job is not sufficient to make the deal go forward, even though the impact on the local economy would be significant. It is our goal to work in collaboration with the state to ensure that these programs have the maximum positive impact in all of our counties.

Partners: Ohio Department of Development, Ohio Valley Regional Development Commission, Ohio Rural Development Partnership.

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▪ **ACTION STEP**

**Develop and deliver a training workshop in Region 7 to highlight current and potential strategies for financing infrastructure development for residential housing.**

Rationale: Some of our communities suffer from a lack of quality housing at all levels. This particular priority has a direct impact on economic development, as executives look at quality housing when making their decision to locate to an area. If a company does locate in a small community, the executives often choose to live in a larger city outside the region and commute to work. This deprives the community of property tax dollars as well as social capital, as these individuals are civic-minded and have much to contribute. While private developers will build where the market is, it is often difficult for communities to come up with the financing to provide the infrastructure necessary for this development. It also costs more to develop infrastructure in the relatively rugged terrain of Southern Ohio.

Partners: Ohio Department of Development Office of Housing and Community Partnerships, Ohio Valley Regional Development Commission, county commissioners in Region 7, county economic development officials, private developers.

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▪ **ACTION STEP**

**Continued support and additional flexibility for utilizing the First Frontier Fund to create new and innovative local marketing strategies.**

Rationale: The First Frontier Fund has enabled Southern Ohio to put together high-quality marketing materials and reach audiences that would otherwise have been cost-prohibitive. We look forward to working with the state to utilize this resource in more innovative ways, such as an interactive website, targeted marketing materials, etc.

Partners: Ohio Department of Development First Frontier Fund, local governments, county departments of human services, Ohio Valley Regional Development Commission, Chambers of Commerce, Community Improvement Corporations.

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▪ **ACTION STEP**

**Increased collaboration with bordering states at the local and state level in order to market the region as a tri-state labor force, including flexibility in regional marketing and labor force programs.**

Rationale: Region 7 understands that our labor force is both multi-county and multi-state. State and local employment and human services offices need enhanced flexibility to cross state lines for regional marketing and labor force initiatives. There are currently barriers to this type of collaboration, such as restrictions on the use of program dollars and out-of-state travel.

Partners: Border counties, Community Improvement Corporations, Chambers of Commerce, Employment Services, Ohio Works.

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▪ **ACTION STEP**

**More flexibility and additional resources so that smaller communities can afford to make economic development deals. For example:**

- **Include allowable administrative dollars in projects such as sewer and water grants.**
- **Include any required environmental studies as a funded cost of the project, even for smaller deals.**
- **Standardize information requests where possible such as environmental impact and compliance forms so that the same information is collected for each funding source.**

Rationale:

CICs and other local economic development organizations were once able to capture administrative dollars from some of these sources to help pay for the cost of applying and administering these programs. Pooled bonding capacity and the ability to keep some administrative money would increase the capacity of economic development offices in the region. Also, it is difficult to find funding for such requirements as environmental and historic reviews for smaller projects. Since even “small” projects have a significant impact on communities in Region 7, it is important to make these economic development programs more accessible for small communities.

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- **ACTION STEP**

**Establish partnerships between the Ohio Department of Development, regional colleges and universities, and counties to conduct “Community Preparedness Projects” within the region. These projects ensure that counties have all the information they need to market current and future industrial sites.**

Rationale: The Community Preparedness Project builds local capacity. The Ohio Department of Development, Gallia County, and Ohio University piloted the project in 1998. The project included a mock site tour to “sell” the industrial park to a set of prospects, and comprehensive data collection on all aspects of the industrial sites and the county in order to prepare the county to respond quickly to information requests. This project was very successful and could be replicated throughout the region through university/community partnerships supported by the Ohio Department of Development.

Partners: County elected officials, Community Improvement Corporations, Chambers of Commerce, Ohio Valley Regional Development Commission, Ohio Department of Development, colleges and universities in the region.

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- **ACTION STEP**

**Work towards a moratorium on the acquisition of additional land in Southern Ohio by state and federal agencies if not accompanied by additional good-paying jobs in the region. Utilize excess state-owned land for economic development purposes.**

Rationale: Many communities and school districts in Region 7 suffer with a significant loss of tax revenue and local control because a large percentage of land is owned by the state or federal government. We place great value on our abundant natural resources, public lands and forests, but cannot afford to lose any additional revenue to state and federal acquisition unless this acquisition leads to a significant number of good-paying jobs that help offset the tax loss. Also, it is important for the region to work with the state to utilize idle state-owned land for economic development projects.

Partners: County governments, school districts, Ohio Department of Natural Resources, U.S. Forest Service, local park boards.

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