



The Montrose Group, LLC

TRANSFORMING YOUR WORLD

ATHENS COUNTY ECONOMIC DEVELOPMENT COUNCIL

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

PRESENTED BY THE MONTROSE GROUP, LLC

JANUARY 18, 2020

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ABOUT THE MONTROSE GROUP, LLC

The Montrose Group, LLC provides economic development planning, lobbying, marketing and public finance and incentive consulting services. The firm brings together some of the leading practitioners in economic development planning and strategy engaged in economic development planning at the state, local, and regional levels and corporate site location.

The Assignment

The Athens County Economic Development Council (ACEDC) retained the Montrose Group, LLC (Montrose) to update the organization's comprehensive economic development strategy that was completed in December 2016. Montrose utilized a Learn, Listen and Do approach to update the ACEDC strategic economic development plan that starts with an analysis of fundamental economic development research to understand who a community or site is then listens to what the community wants the region or site to be and then develops a detailed action plan tied to local and outside funding sources centered on the business retention and attraction of high wage jobs and capital investment.

Learn	Listen	Do
<ul style="list-style-type: none">• Economic development plans first need to define exactly who a community is through research from primary data sources to determine the assets and liabilities of a community.• Elements<ul style="list-style-type: none">• asset inventory• industry cluster & labor analysis<ul style="list-style-type: none">- company verification• cost competitive analysis• SWOT analysis	<ul style="list-style-type: none">• The second step is to listen to community, political and business leaders and the public for what direction the community wants to go.• Elements<ul style="list-style-type: none">• one on one interviews• focus groups• surveys• public meetings	<ul style="list-style-type: none">• Finally, mixing who a community is with what they want to become should turn into a concrete action plan to develop high-wage jobs and capital investment.• Elements<ul style="list-style-type: none">• land use and site development plan<ul style="list-style-type: none">- zoning & funding advocacy- real estate market analysis• infrastructure funding & tax strategy<ul style="list-style-type: none">- public finance and government funding advocacy• workforce program<ul style="list-style-type: none">- funding advocacy• marketing<ul style="list-style-type: none">- community branding campaign- industry campaigns through social, earned and paid media- company targeting<ul style="list-style-type: none">- direct mail- meeting solicitation- meetings



ATHENS COUNTY ECONOMIC DEVELOPMENT CORPORATION COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE EXECUTIVE SUMMARY

Athens County remains an economic leader in the southeast Ohio region and, like many communities, has seen shifts in its economic landscape. Athens County has experienced significant growth in educational achievement specific to high school graduates; has seen increases in hourly wages of its most competitive occupations; and most of the county's strongest industry sectors have increased their competitiveness over the last five years with substantial growth in skilled trades that are emerging sectors for Athens County. Despite being a regional economic leader, Athens County still lags by most comparisons of like communities and the state of Ohio as a whole. Economic struggles continue to be rooted in an over-reliance on government and low wage service jobs. Great opportunities for economic prosperity have proven to exist in manufacturing and services tied to these emerging industry sectors with a large workforce pool driven by the local university and community college.

Athens County has achieved considerable success over the last five years since the economic development strategic plan was complete. This has included:

- Working with the City of Athens to establish three Downtown Redevelopment Districts.
- Implementing a more robust Business Retention & Expansion program with OhioSE. These BRE efforts generated total compensation impact of \$36,000,000.
- Development of the Thiesen Industrial Park Site by having all ground studies completed through grant funding, an RFP was released, and a firm selected for the architecture and engineering of two speculative building, and the attraction of grant funding from JobsOhio for infrastructure funding.
- Assisting OU with the Ridges site development plan and the identification and recruitment of developers.
- Securing over \$3,000,000 from state & federal sources, which supported companies and funded business infrastructure improvements needed to facilitate job retention & creation.

In order to achieve continued success over the next five years, reduce the over-reliance on government and low-wage service jobs, and diversify the Athens County economy, the ACEDC needs to enact these seven action steps.

1. ACEDC needs to conduct an industrial site inventory program to identify potential sites for development, secure industrial site control and gain land use entitlements, infrastructure finance and tax incentives, seek AEP Quality Site Program Designation for Athens County Sites, and target growing industrial markets in food and beverage manufacturing and indoor agriculture.
2. ACEDC should work with the City of Athens to aggressively redevelop urban sites within the City of Athens by establishing a Community Urban Redevelopment Corporation (CURC), build a pool of state and federal funding to support Athens urban redevelopment, and assemble land to recruit developers to Athens.
3. ACEDC should work with its partners to facilitate and coordinate a strategy to build STEM Workforce Programs to Retain and Attract Tech Talent.
4. ACEDC should act as the facilitator to bring Ohio University and business and community leaders together on a regular basis to solve business issues, and assist the Appalachian Partnership in the creation of "Forward Appalachian Initiative".
5. ACEDC should pursue funding at the state and federal levels to construct high-speed broadband infrastructure in the County. Additionally, ACEDC or an appropriate county agency should partner with a private sector entity to implement and utilize this funding.
6. ACEDC should address the housing shortage in Athens County by working with OU to develop a public-private partnership at the Ridges, working with the City to provide downtown mixed-use zoning, working to provide down payment assistance and rental subsidies, encouraging the City to provide tax abatement and more parking for downtown mixed-use projects.
7. ACEDC and its partners should establish the Bobcat Opportunity Fund Organization focused on the development of the three Athens County opportunity zone sites.

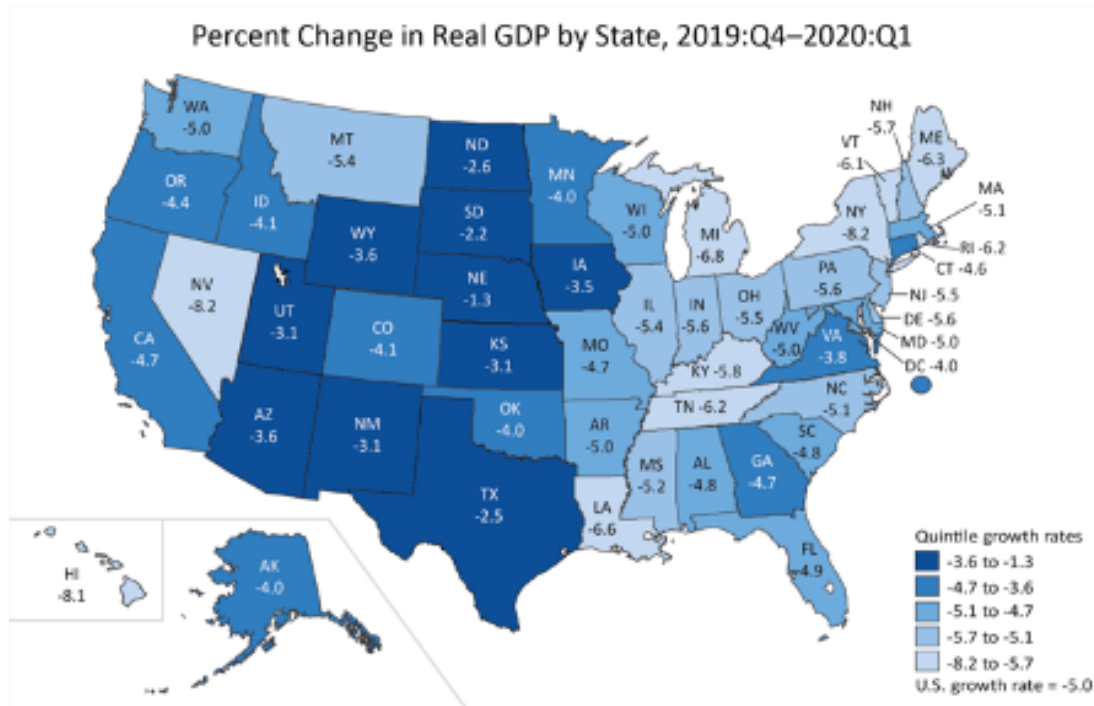


ATHENS COUNTY ECONOMIC ANALYSIS

Understanding the economy of the nation, region, state, and local jurisdiction impacts the implementation of a comprehensive economic development strategic plan. What constitutes the economy, whether the economy is growing, and what industries are growing all impact the development of a comprehensive economic development strategic plan. Unique to the data analyzed in the Strategic Plan Update is the significant impact of COVID 19 on the U.S. economy.

The American economy going into the fourth quarter of 2019 was \$18.436 Trillion and the largest in the world. Between the years of 2018 – 2019, the real gross domestic product (GDP) saw an average increase of 2.4%. Conversely, with the onset of the COVID 19 pandemic in early 2020 the U.S. GDP has recorded a 5% decline in GDP to \$186.3 billion in the first quarter of 2020 and a 31.7% decrease in GDP of \$2.07 Trillion in the second quarter of 2020. There is a direct correlation of the percentage in GDP decline to states having the highest percentage of confirmed COVID 19 cases. Rapid shifts in economic activity have been recorded as businesses and schools continued remote work and consumers and businesses canceled, restricted, or redirected their spending.

Real GDP decreased in all 50 states and the District of Columbia in the first quarter of 2020, according to the U.S. Bureau of Economic Analysis. The percent change in real GDP in Q1 ranged from -1.3% in Nebraska to -8.2% in New York and Nevada. In Ohio the percent change is -5.5% compared to a 1.7% change in 2019. Accommodation and food services; finance and insurance; healthcare and social assistance; and arts, entertainment, and recreation were the leading contributors to the decrease in real GDP nationally. Accommodation and food services decreased 26.8% nationally and was the leading contributor to decreases in 29 states and the District of Columbia. Finance and insurance; healthcare and social assistance; and arts, entertainment, and recreation decreased 9.0%, 7.8%, and 34.7% respectively. Conversely, agriculture, forestry, fishing, and hunting increased 15.5% nationally. This industry was the leading contributor to moderating decreases in 17 states.



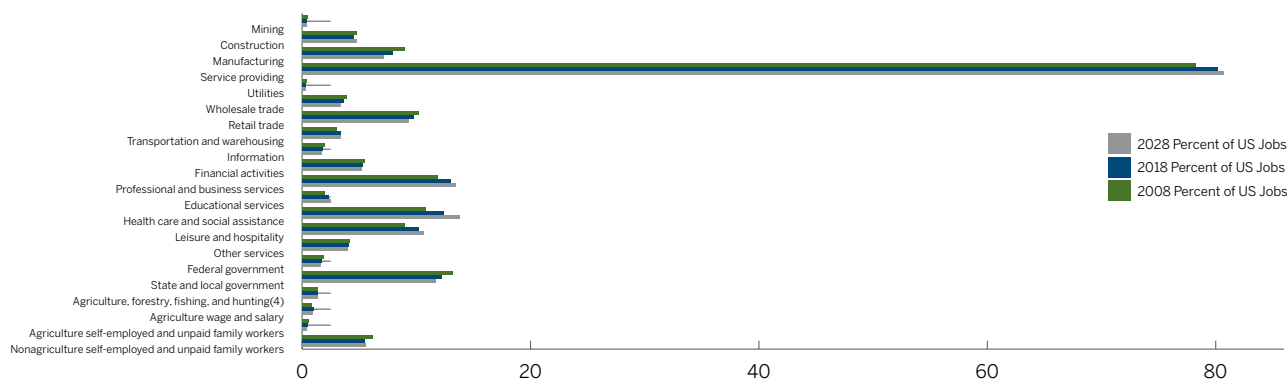
Source: U.S. Bureau of Economic Analysis

As states began lifting “stay-at-home” orders in May and June, and government pandemic assistance payments having been distributed to households and businesses, additional shifts in activity are expected to be reflected in later 2020 data.



Prior to COVID 19 real GDP experienced a 1.6% increase from 2.2% in Q4 2018 to 3.8% in Q1 2019 which the U.S. Bureau of Economic Analysis attributes to an upturn in state and local government spending, accelerations in private inventory investment and in exports, and a smaller decrease in residential investment. By Q2 2019 and throughout the remainder of 2019 this growth rate remained flat at roughly 3.7%. In terms of dollars, real GDP at the end of 2019 was \$202.3 billion which was a \$21.73 billion increase from Q3 2019. The national unemployment rate in December 2019 was 3.5% and as of July 2020 sits at 10.2%, reflecting the impact of the pandemic; average hourly earnings have increased roughly 2.9% from \$27.58 in January 2019 to \$28.43 in January 2020; and consumer price index increase 1.7%. Comparing July 2019 to July 2020 real average hourly earnings, there has been an increase of 3.7%. On the surface this growth seems to be positive and substantial, however the recent large increases in hourly earnings reflects the substantial job loss among lower-paid workers as a result of COVID 19 closures. Prior to the pandemic, the American economy was operating with record-low unemployment, rising wages and low inflation. Like the rest of the world, the United States is still in the midst of recovering from the negative economic impact of COVID 19. As the chart below illustrates, the industry make-up of the American economy continues to evolve and will likely look different moving forward as business models adapt in the post-COVID 19 economy.

American Industry Job Growth Projections 2008-2028



Source: U.S. Bureau of Labor Statistics

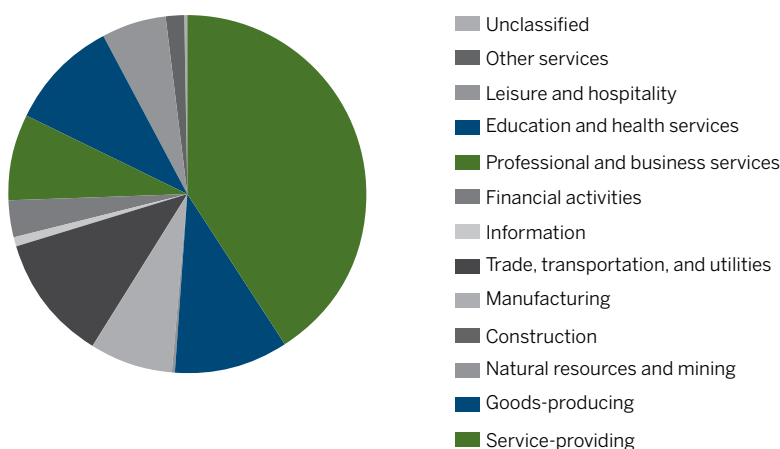


On July 1, 2019, the United States' economic expansion recorded the longest stretch of expansion in U.S. history, beating the previous record that went from March 1991 thru March 2001. Prior to March 2020, national real GDP has been experiencing an average of 2.6 percent annual growth beating Congressional Budget Office estimates of 2.2 percent annual growth and the United States continued to demonstrate a strong economy worldwide. In fact, among G7 countries from the second quarter of 2018 to the second quarter of 2019, the United States was the only country with an annual GDP growth rate above 2 percent.¹ White House Council of Economic Advisors, "Economy Reaches Longest Expansion in U.S. History in Third Quarter of 2019, Beats Market Expectations." October 30, 2019

Up until March 2020, the Mid-America region experienced a labor force participation rate of 66.2 percent which is more than 4 percentage points higher than the national average, coupled with an unemployment rate of just 3.5 percent signally almost full employment. Within the Mid-America region high-wage agribusiness, transportation equipment manufacturing, food manufacturing, machinery manufacturing, and energy-related jobs remain top employers and industry sector strengths. Despite these high-wage industry sector strengths and low unemployment, GDP in the Mid-America region accounted for a modest 3.6 percent growth between 2010 – 2019, which was significantly lower than the national average of 9.1 percent over the same ten-year period. While the Mid-America region continues to have lower average wages than the west and east coast which have seen an erosion of manufacturing jobs over the years, the region also has lower average wages than the southwest region and average wages on par with the southeast region of the country which has recorded several economic development wins in the last 5 years. In Phoenix, Zoom Video Communications announced it would be building a new Research & Development facility and hiring 500 software engineers. And in the southeast, Area Development Magazine recently reported on the transformation of the South's economy over the last 40 years into one of automotive and automotive supplier strength with companies like Mercedes Benz, Hyundai, and Toyota. Today, Tennessee ranks second to Michigan in auto production and Kentucky is the number one producer of passenger vehicles per capita.

Ohio's economy, estimated at \$698 billion, is the 7th largest among the 50 states. Ohio has 4.75 million workers in a wide range of industries, which experienced a 0.6% employment growth rate between 2018 and 2019, according to the U.S. Bureau of Labor Statistics.

Ohio Non-Farm Private Sector Industry Analysis

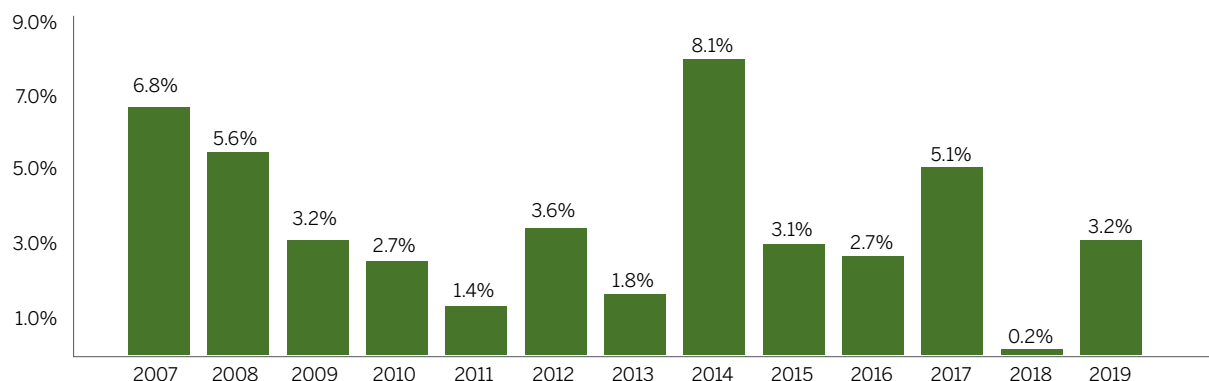


Source: U.S. Bureau of Labor Statistics

The state of Ohio GDP grew by 1.7% in 2019, outperforming neighboring Indiana (0.8%), Michigan (0.7%), Kentucky (1.1%), Wisconsin (1.4%) and West Virginia (1.0%), but trailing Pennsylvania (2.3%).

Athens County's economy has grown year after year since 2007 when measuring Gross Domestic Product, with 2018 having the lowest growth rate at just 0.2% but bouncing back to 3.2% in 2019 as seen in the graph below. Educational Services contributed the largest portion of GDP in 2019 at \$414 million, with Health Care and Social Assistance next at \$297 million, Real Estate and Rental and Leasing at \$202 million, Retail Trade at \$159 million, and Manufacturing at \$100 million. 2 JobsEQ Athens County Economic Outlook

1 year % Change in GDP



Source: JobsEQ

The Athens County unemployment rate for the month of June 2020 is 9.8% and is below both the national average (11.1%) and the state of Ohio average (10.9%). Ohio's unemployment rate has been tracking below the national unemployment rate indicating the Ohio economy is doing better than the nation as a whole.

Athens County has several growing industry clusters. Regional economies grow through the retention and expansion of like, growing industries already located in a region. An economic cluster comprises of a geographic concentration of firms within a particular industry.¹ Economic cluster strategy permits regions to focus on high wage jobs in which the region has strengths in a growing industry. It permits high-cost and low-cost regions to succeed with less of an emphasis on cost of doing business issues.

Athens County is still heavily weighted from an employment perspective in four industry sectors: Government, Accommodation and Food Services, Retail Trade, and Healthcare and Social Services. The majority of employees that work for Ohio University are defined by the US Census Bureau as being in the State Government sector. Despite employment reductions at Ohio University in early 2020, having two public, higher education institutions provides a steady base of employment for the region and also is critical to educating and training a future pipeline of advanced services and high tech workers but also attracting skilled spouses and industrial and health care knowledge from faculty at both institutions. As has been seen by recent reductions in Ohio University's workforce the county's reliance on public sector employment is substantial considering the county has seen growth in three higher wage private sector industry clusters- energy, manufacturing, and health care. These private sector jobs provide high-wage occupations but there still remains too few of them to provide the multiplier effect that the county should see, even with growth in construction, wholesale trade, and resale trade. Athens County has made strides in creating an ecosystem where technology and entrepreneurial oriented jobs can grow, however these sectors are still in the infancy stages and should continue to emerge with Athens County being home to two public higher education institutions. Pipeline transportation has seen growth of 36 percent and has a strong location quotient in the county; however this sector still employs very few individuals. Infancy stage sectors with growth potential and LQ's exhibiting growth potential.

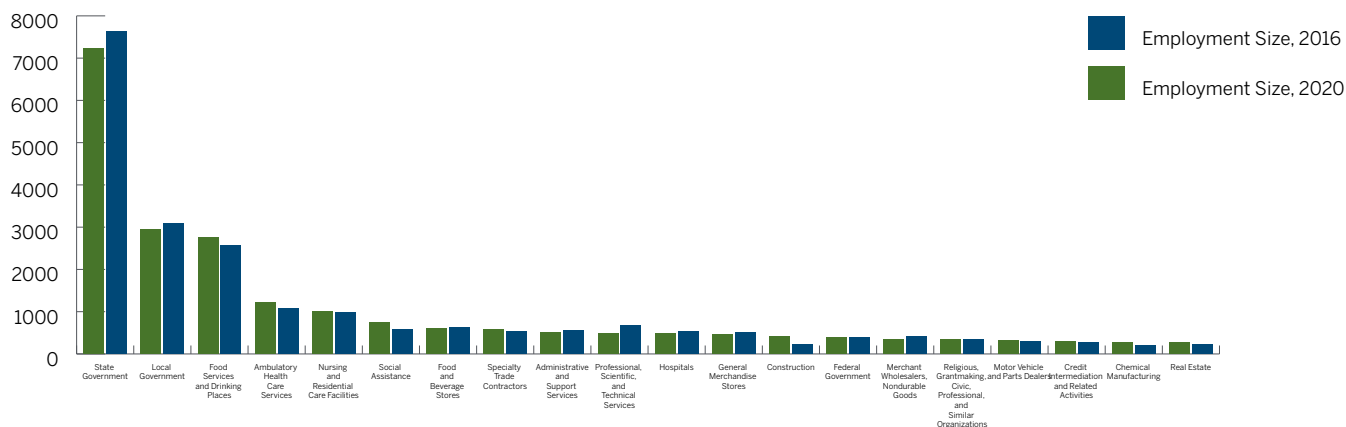


To further illustrate the size of the various sectors in Athens County, the State Government Sector and Local Government Sector continues to represent the top industry sectors by employment with a combined 10,175 employees. State Government is the largest sector with 7,233 employees followed by Local Government with 2,942 employees. Food Services and Drinking Establishments is the largest private-sector employer in the county with the Health Care sector having 3,043 employees, the Accommodation/Food Services sector with 2,752 employees followed by Ambulatory Health Care Services with 1,226 employees and Nursing and Residential Care with 1,011 employees. These sectors largely reflect the presence of Ohio University and the businesses that support and serve the university. The sectors of Specialty Trade Contractors; Professional, Scientific and Technical Services; Construction; and Chemical Manufacturing are not large employment sectors by comparison but offer the greatest potential for growth in Athens County outside of the State Government Sector.

Comparing 2016 to current employment size by industry sector we find modest shifts in overall employment in the largest sector employers in Athens County. State Government experienced the largest decline in workforce with a decrease of 415 employees followed by Local Government which saw a decrease of 144 employees, a roughly 5 percent reduction in both sectors. Other leading employment sectors with the largest percentage decline between 2016-2020 were Professional, Scientific, and Technical Services (-28%), Merchant Wholesalers, Nondurable Goods (-17%), and Hospitals (-12%). Leading employment sectors that experienced the highest percentage growth over this same period were Construction of Buildings (89%), Chemical Manufacturing (36%), Social Assistance (32%), Real Estate (15%), and Ambulatory Health Care Services (14%).

Looking at the most significant reductions in employment across all industry sectors in Athens County, Mining (except Oil and Gas) saw tremendous decline in employment with an 83 percent reduction of employees from 166 in 2016 to just 29 in 2020. Private Households declined by 47 percent, Publishing Industries (except Internet) declined by 40 percent, Heavy and Civil Engineering Construction declined by 29 percent, and Motion Picture and Sound Recording Industries declined by 23 percent.

**Athens County
Industry Sector by Employment (2020 vs. 2016)**



Source: U.S. Bureau of Labor Statistics

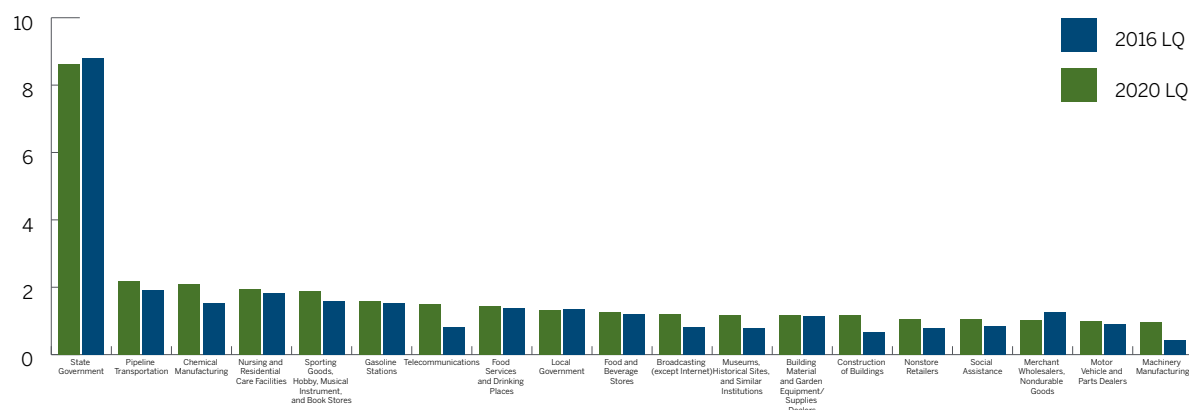


Over the past 5 years there have once again been several sectors that have experienced considerable employment growth: Machinery Manufacturing at 127%; Construction of Buildings at 89%; Beverage and Tobacco Product Manufacturing at 84%; Wholesale Electronic Markets and Agents and Brokers at 62% growth; Transit and Ground Passenger Transportation at 56%; and Amusement, Gambling, and Recreation Industries at 52%. Sectors that have experienced mid-level growth include: Waste Management and Remediation Services at 48%; Telecommunications at 46%; Nonstore Retailers at 42%; Chemical Manufacturing at 36%; Social Assistance at 32%; Educational Services at 27%; Ambulatory Health Care Services at 14%; Pipeline Transportation at 13%; Computer and Electronic Product Manufacturing at 13%; Nonmetallic Mineral Product Manufacturing at 13%; and Utilities at 10%. Growth specifically within the healthcare industry has been steady with Social Assistance at 32%, followed by Ambulatory Health Care Services at 14%; and Nursing and Residential Care Facilities at 3%. Looking at the most significant declines in employment over the last 5 years, Mining (except Oil and Gas) saw a substantial decline in employment of 83%, while Publishing Industries (except Internet) declined 40%; Heavy and Civil Engineering Construction saw a decline of 29%; Professional, Scientific, and Technical Services declined by 28%; and Motion Picture and Sound Recording Industries declined 23%. Other sectors that have experienced a modest decline in employment include Hospitals at -12%; Truck Transportation at -12%; Rental and Leasing Services at -12%; Insurance Carriers and Related Activities at -8%; General Merchandise Stores at -8%; and Administrative and Support Services at -7%. While Government Sectors continue to represent some of the largest employment sectors in Athens County, these sectors have seen declines in employment over the last 5 years with Local Government and State Government seeing -5% declines, respectively.

Location quotient is an indicator of the economic concentration of a certain industry in a state, region, county, or city compared to a base economy, such as a state or nation. A location quotient greater than 1 indicates a concentration of that industry in the area. A location quotient greater than 1 typically indicates an industry that is export oriented. An industry with a location quotient of 1 with a high number of jobs present is likely a big exporter and is bringing economic value to the community feeding the retail trade and food services sectors. As the chart below indicates, the State Government sector is the leading industry from a location quotient perspective at 8.61. This means that Athens County has an 8.61 times greater concentration of state government employees than the nation on average. Combine the location quotient factor number with the fact that the state government sector also employs the largest number of people in the community and we can see that government continues to have a large economic impact on Athens County. Other sectors with a higher location quotient are Pipeline Transportation at 2.18, Chemical Manufacturing at 2.08, Nursing and Residential Care Facilities at 1.93, Sporting Goods, Hobby, Musical Instrument, and Book Stores at 1.88, Gasoline Stations at 1.59, Telecommunications at 1.49, Food Services and Drinking Places at 1.45, and Local Government at 1.33. Comparing 2016 location quotient data to the most recent 2020 location quotient data, strengths in leading industry sectors have remained relatively consistent. The most notable increase in location quotient can be seen in Machinery Manufacturing that more than doubled since 2016, which can be attributed to growth at Athens Mold & Machine and Global Freezer. Construction of Buildings has also seen growth since 2016 that can be attributed to several new projects under construction including Menards, Ohio University dormitories, The Ridges, Kirkbride Building renovations, Athens Central Hotel, and O'Bleness is building a new facility.

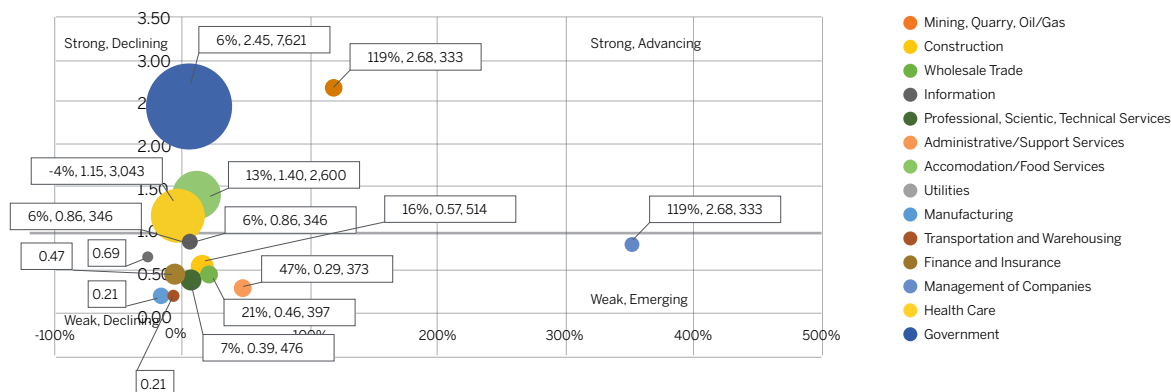


Athens County Location Quotient #2020 vs. 2016 comparison



Source: U.S. Bureau of Labor Statistics

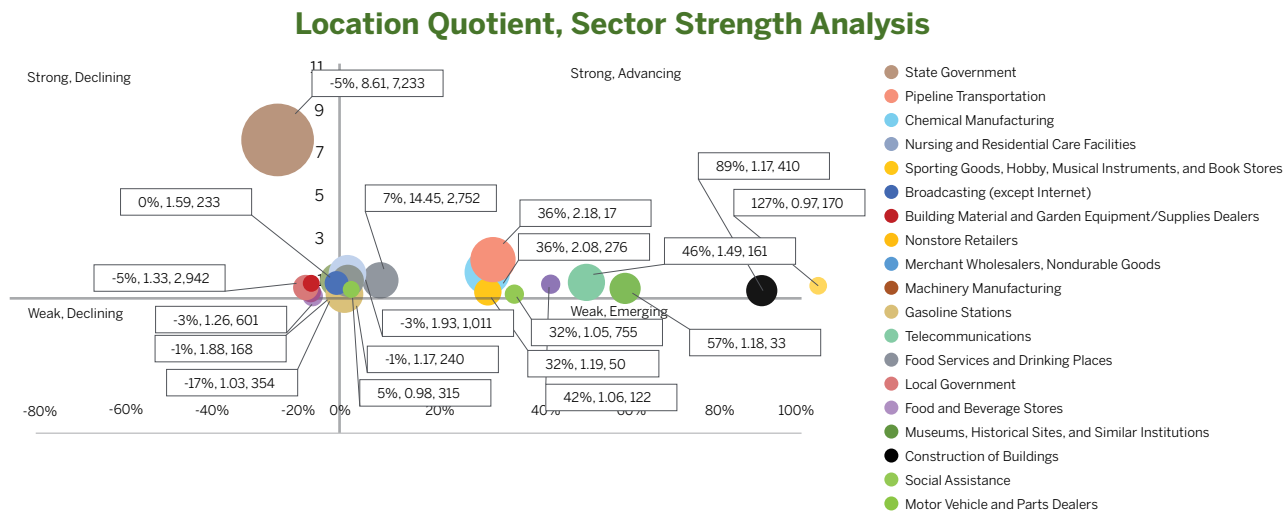
Athens County Location Quotient, 2016



Source: U.S. Bureau of Labor Statistics

Examining Location Quotients and Sector Strengths on a bubble chart demonstrates strong and advancing, strong and declining, weak and emerging, and weak and declining industry sectors in Athens County. In 2016, Athens County had strong and advancing with positive employment growth and a positive location quotient for Government; Accommodation/Food Services; and Mining, Quarrying, and Oil/Gas Extraction. Management of Companies; Information; Construction; Administrative/Support Services; Wholesale Trade; and Professional, Technical and Scientific Services were all weak and emerging. Healthcare was a strong and declining sector, which was attributed in part to the county's largest employer, O'Bleness Hospital, merging with Ohio Health. In 2016, Healthcare was the 2nd largest employment sector in Athens County and the leading industry sector in the state of Ohio.

When looking at the bubble chart of current industry sectors we see some interesting trends in smaller and modest location quotient sectors that are experiencing significant growth. Pipeline Manufacturing, Chemical Manufacturing, and Telecommunications are all weak but advancing with positive employment growth and a positive location quotient. Museums, Historical Sites, and Similar Institutions, Construction of Buildings, and Machinery Manufacturing are also weak and emerging, but have seen significant double-digit growth in their sectors. The value of these sectors is that they have the potential to grow further in the next 5-10 years with the proper amount of attraction efforts and small business and entrepreneurship services. The weak and emerging industries, while not large today, are likely engaged in activities at the Innovation Center, or are engaged in the energy sector boom. The only sector that is strong and declining is State Government. This is not all that surprising given that the largest employer in the sector, Ohio University, has recently gone through rounds of layoffs most likely due to the COVID 19 pandemic. Healthcare, which had a strong representation in 2016 still remains a modest sector in part through nursing and residential care facilities, with a location quotient of 1.45, a growth rate of 7%, and 2,752 employees.



Source: Emsi, U.S. Bureau of Labor Statistics



WORKFORCE ANALYSIS

A region's workforce is a critical measure of its economic success. The retirement of the Baby Boomer generation and a continued struggle with alignment of skills between industry and higher education are still creating widespread shortages in qualified workforce even in times of lower unemployment followed by spikes in unemployment as a result of COVID 19. An examination of a community's workforce has three distinct components: the size, unemployment rate, and education level of the workforce; the occupation and earnings of the workforce; and the commuting patterns of the workforce.

Athens County has a labor force of 27,100 with roughly 24,800 people actively employed. This employment level is a decrease of almost 1,000 people from 2016, however there were 26,580 employed in 2016 compared to 24,800 employed in 2019. The median household income and per capita income has increased significantly as well from 2016-2019. Modest increases in the percentage of residents with a high school degree or higher, and with a bachelor's degree or higher are positive indicators of residents obtaining the knowledge and skills needed to compete for jobs.

Athens County Workforce Economic Snapshot, 2019

Workforce Statistics	Athens County	Ohio	US
Civilian Labor Force	27,100	5,727,500	161,370,000
Employed	24,800	5,206,200	99,242,550
Unemployment Rate	8.4%	9.1%	10.2%
Mean Travel Time to Work (mins)	20.3	23.5	26.6
Median Household Income	\$37,778	\$54,533	\$60,293
Per Capita Income	\$20,745	\$30,304	\$32,621
Poverty Rate	30.7%	13.9%	11.8%
High School Graduate or Higher	89.6%	90.1%	87.7%
Bachelor's degree or Higher	29.7%	27.8%	31.5%

Source: U.S. Census Bureau, Ohio Labor Market Information

Despite the spike in unemployment as a result of COVID 19, Athens County's unemployment rate is much lower than the national rate (10.2%) and the state of Ohio rate (9.1%) as of the most recent June 2020 data. Examining the unemployment rates of neighboring counties in the Appalachian region, Athens County is in the middle of the pack, with the highest unemployment rate in Lawrence County at 9.3% and the lowest rate in Muskingum County at 7.6%. In 2016, Athens County had the lowest unemployment rate among its neighboring Appalachian counties, however with the recent reductions in employment at Ohio University coupled with layoffs specifically in non-essential sectors like accommodations, food service, and retail resulting from COVID 19 and a number of underemployed college students, Athens County's unemployment rate has risen amongst its neighbors. From an income standpoint, Athens County continues to be a less expensive place to do business as demonstrated in the Median Household Income of \$37,778 and a substantially higher college graduation rate of 29.7%, again attributed to the presence of Ohio University.

In 2016, Athens County's unemployment rate was slightly higher than the national rate and the state of Ohio rate. From an unemployment standpoint, Athens County has been an economic star among Ohio's Appalachian Counties. While unemployment is historically lower in Athens County driven in large part by location of Ohio University, the large number of underemployed college students also drives down the average income rate of Athens County. However, the lower income rates also indicate Athens County is a less expensive place to do business.



Athens County Workforce Economic Snapshot Comparison

Workforce Statistics	Athens County, 2019	Athens County, 2016	US
Civilian Labor Force	27,100	30,038	161,370,000
Employed	24,800	26,580	99,242,550
Unemployment Rate	8.4%	5.5%	10.2%
Mean Travel Time to Work (mins)	20.3	20.2	26.6
Median Household Income	\$37,778	\$33,778	\$60,293
Per Capita Income	\$20,745	\$17,069	\$32,621
Poverty Rate	30.7%	30.0%	11.8%
High School Graduate or Higher	89.6%	89.0%	87.7%
Bachelor's degree or Higher	29.7%	29.0%	31.5%

Source: U.S. Census Bureau, Ohio Labor Market Information

The size of a region's workforce is a relevant discussion point as larger markets attract additional economic investment. While Athens County is only the 37th largest county in the state of Ohio, it is relatively large for the Appalachian Region and competes with similar sized Southeast Ohio counties such as Washington, Lawrence, Muskingum and Tuscarawas to be the economic leader in Southeast Ohio.

Southeast Ohio Regional County Workforce Comparison, 2019

Southeast Ohio County	Population	Unemployment Rate	Median Household Income	College Graduation Rate
Athens	65,327	8.4%	\$37,778	29.7%
Washington	59,911	9.0%	\$48,572	19.2%
Lawrence	59,463	9.3%	\$44,372	14.3%
Muskingum	86,215	7.6%	\$45,276	15.5%
Tuscarawas	91,987	8.0%	\$51,170	15.8%

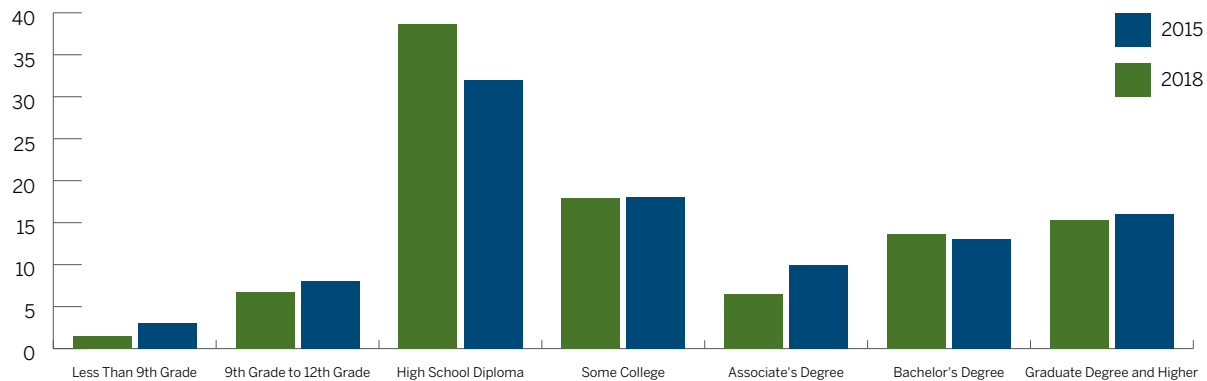
Source: U.S. Census Bureau

Comparing Athens County to its Southeast Ohio competitors illustrates that labor force costs are more competitive, the unemployment rate is in the middle of the pack, and the college graduation rate is substantially higher in Athens County. Private sector wage rates in Athens County are far below national averages and make the county highly competitive for manufacturing jobs in competition with other high-cost competitor markets. Additionally, Athens County is the only county in Southeast Ohio that continues to produce a pipeline of workers attractive to both the high-technology and advanced services industry that needs college graduates to operate. Athens County's strategic location in the middle of larger urban centers of Columbus, Pittsburgh, and Charleston creates substantial opportunities to develop high-tech and advanced services jobs as Athens is close enough to these urban centers to capitalize on national airports and other services these companies may need.

The U.S. Census Bureau educational attainment numbers typically lag by a year in reporting. Looking at the most recent 2018 data and comparing it to 2015 data, there has been minimal changes in educational attainment of Athens County residents. What is promising are the decreases in Less than 9th Grade rates and 9th Grade to 12th Grade rates and a significant increase of 6.6 percent of residents obtaining their High School diploma. A 3.5 percent decrease in associate degrees is concerning as many jobs require technical and certificate skills. This level of educational attainment continues to bode well for the retention and attraction of industries and occupations that have a competitive advantage in Athens County: 1. Healthcare Support, 2. Production, 3. Business and Financial Operations, 3. Healthcare Practitioners, 4. Management, and 5. Construction and Extraction. Athens County does, however, need to understand why there has been a notable decrease in associate degrees and if residents have all of the skills necessary to take jobs in the community.



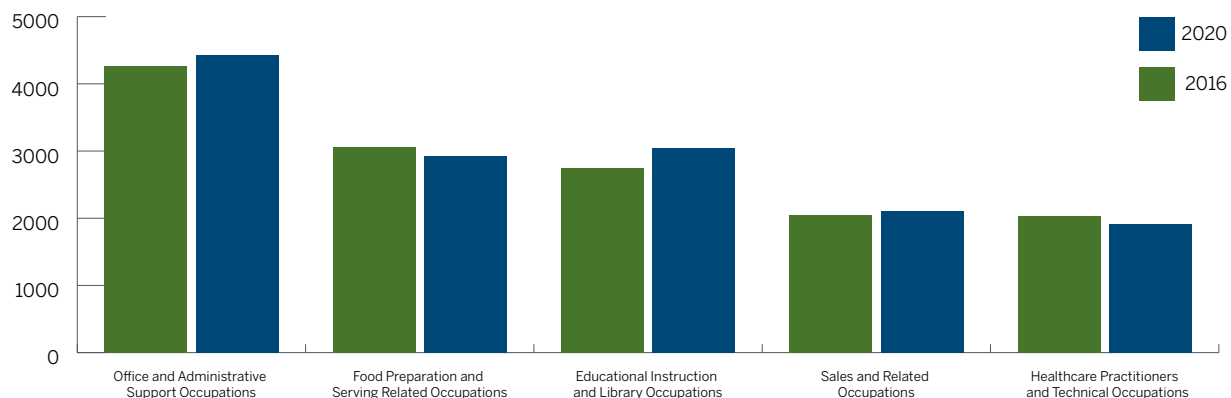
Athens County Educational Attainment (2018 vs. 2015)



Source: U.S. Census Bureau, 2018

The number of jobs in particular industries is the starting point for measuring a region's workforce. Athens County has a total of 25,650 jobs as of June 2020, which is a slight decline from 2016 total jobs of 25,696, a 0.18% percent retraction. The sector with the largest number of employees in the County is Office and Administrative Support Occupations with 4,265 employees. This industry experienced a drop of 162 employees, or 4 percent decline over the past five years.² Also noteworthy is the decline in Educational Instruction and Library Occupations, which had 3,038 jobs in 2016 and in 2020 represents 2,743 which is a 10% reduction. This decline in Educational Instruction and Library Occupations can be attributed to recent workforce reductions at Ohio University. Office and Administrative Support Occupations and Educational Instruction and Library Occupations are followed by Sales and Related Occupations and Healthcare Practitioners and Technical Occupations.

Athens County Occupations 2020 vs. 2016

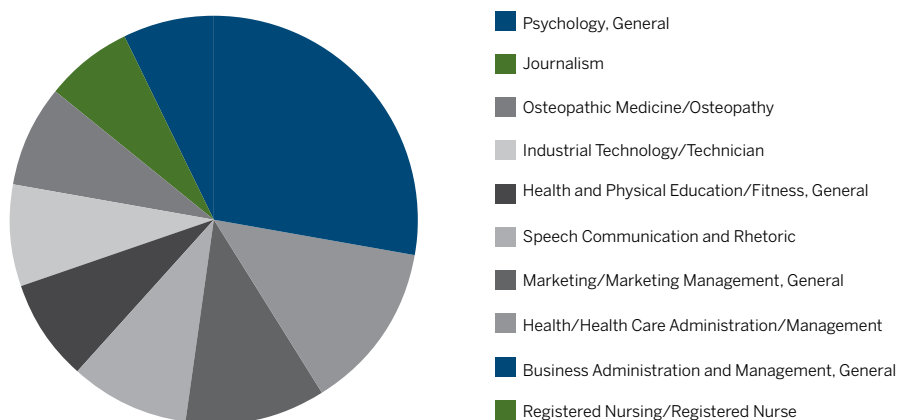


Source: Emsi



To further paint a picture of the Athens County workforce landscape, in 2019 there were 11,211 degree completions in the county across all occupations. There were 3,340 openings in the County in the occupations related to those degree completions.³ This data suggests there is opportunity to close workforce gaps in occupations as there is an availability of educated, skilled workers readily available. These skilled individuals should be connected to available jobs, keeping them rooted in the community. As the chart below illustrates, the top occupations of those completed degrees are in high-wage areas of growth for Athens County: Healthcare; Business Administration/Management; Marketing/Marketing Management, General; Journalism; and Industrial Technology/Technician.

Athens Degree Completions (2019)



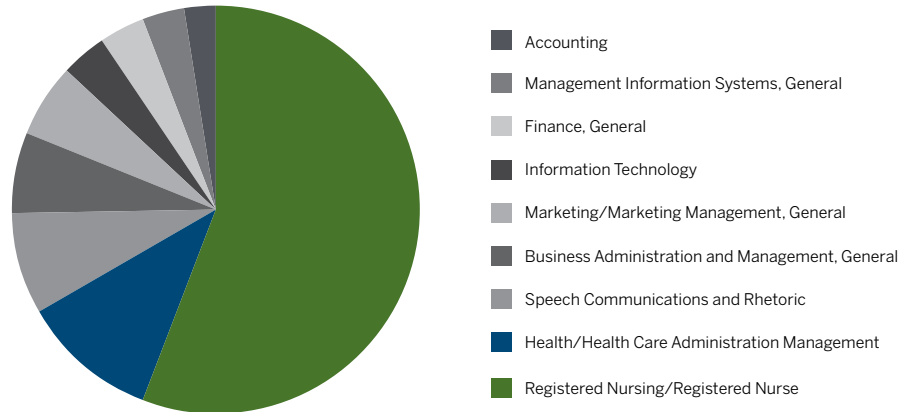
Source: Emsi

Looking back at 2013 data there were 9,414 degree completions in Athens County across all industry sectors. There were 1,208 openings in the county in the occupations related to those degree completions. As the chart below illustrates, the top occupations of those completed degrees were in the high-wage areas of growth for Athens County: Healthcare; Manufacturing; Transportation and Material Moving; Life, Physical and Social Sciences; and Architecture and Engineering.

Comparing degree completions between 2013 and 2019 there is a 17 percent increase over the six-year period. Of the top degrees obtained in 2013 and 2019, Registered Nursing/Registered Nurse saw the biggest increase in degrees obtained by 629 followed by Business Administration and Management, General at 566, and Marketing/Marketing Management, General which had an increase of 106. With Healthcare being a strong sector in Athens County, Osteopathic Medicine/Osteopathy (228) and Health and Physical Education/Fitness, General (234) have become two of the top degrees obtained in 2019.



Athens Degree Completions (2013)



Source: Emsi

Job growth by industry sector is another measure of a region's workforce. The largest job growth came from the healthcare sector adding 494 employees from 2011 to 2016, a 24 percent change in that five-year time frame.⁴ This was followed by food preparation and serving operations which added 373 employees. Manufacturing added 89 new jobs which was an 18 percent increase.⁵ This was followed by transportation and material moving occupations adding 126 jobs, a 17 percent increase.⁶ Construction and extraction occupations, closely tied to the oil and gas industry, added 47 new jobs, an 8 percent growth rate in five-years.⁷ Source: Emsi

Top 5 Growing Industries in Athens County

- Healthcare
- Business and Financial Operations
- Production
- Management
- Construction and Extraction

Most importantly, wage rates for workers in these high-growth industries are lower in Athens County than they are nationally. These lower wage rates provide an economic advantage for Athens County to compete for new businesses in these high-wage rate areas.



High-Wage Industry Wage Rate Comparison: Athens County vs. U.S. (2020)

High-Wage Occupations	Athens County Hourly Wage Rate	National Mean Hourly Wage Rate
Healthcare Support Occupations	\$13.23	\$15.05
Production Occupations	\$17.78	\$19.30
Business and Financial Operations Occupations	\$30.69	\$36.70
Healthcare Practitioners and Technical Occupations	\$36.05	\$40.21
Management Occupations	\$43.18	\$58.88
Construction and Extraction Occupations	\$23.03	\$24.01

Source: U.S. Bureau of Labor Statistics

As the above chart indicates, the top high-wage occupations growing in Athens County provide high-wage jobs for the region but are in all cases below the national average wage. Thus, Athens County is at a competitive advantage for the recruitment of these jobs to Southeast Ohio.

High-Wage Industry Wage Rate Comparison: Athens County vs. U.S. (2016)

High-Wage Occupations	Athens County Hourly Wage Rate	National Mean Hourly Wage Rate
Management Occupations	\$37.94	\$49.97
Healthcare Practitioners and Technical Occupations	\$32.39	\$34.95
Architecture and Engineering Occupations	\$31.84	\$35.97
Life, Physical, and Social Science Occupations	\$31.82	\$32.15
Computer and Mathematical Occupations	\$29.28	\$36.44

Source: U.S. Bureau of Labor Statistics

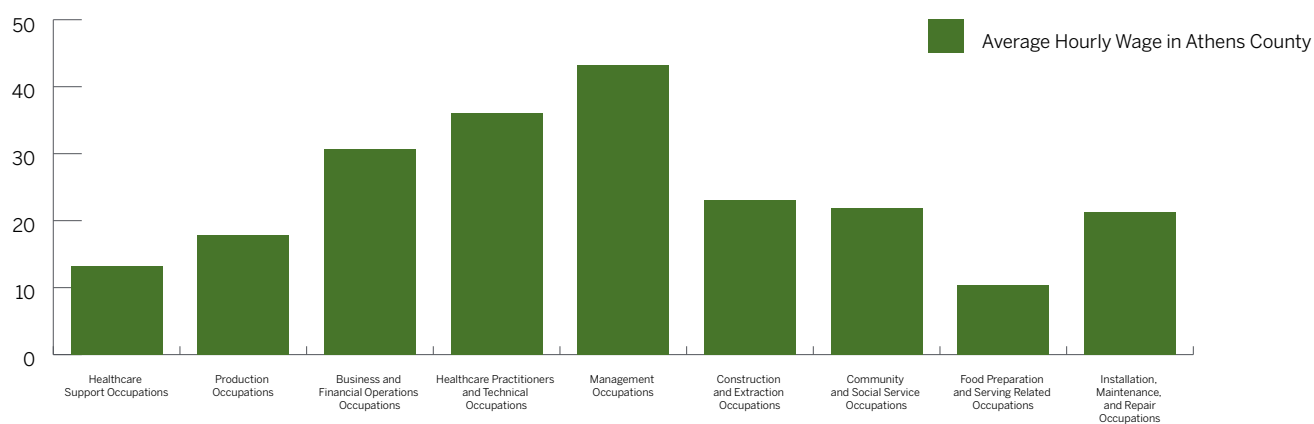
As the above chart indicates, the top high-wage occupations growing in Athens County in 2016 provided high-wage jobs for the region but are in all cases below the national average wage. Thus, Athens County was at a competitive advantage for the recruitment of these jobs to Southeast Ohio. Looking at 2020 versus 2016, Healthcare Support and Management occupations remain among the strongest high-wage occupations in the county. Production, Business and Financial Operations, Healthcare Practitioners and Technical, and Construction and Extraction have grown into top high-wage occupations which is evident when looking at their competitive advantage.



Athens County's workforce can also be measured from a "competitive effect" standpoint—determining which high-wage occupations grew at a greater rate than the national average over the last five years. We find some surprising and telling trends. The competitive effect illustrates the development a particular industry sector and is one of the most intriguing measures of a community's past and future. It has a predictive measure that shows if the county concentrates in these areas from a retention and attraction standpoint, it is likely to see additional growth in these sectors over the coming five years. However, the salary of those jobs in growing sectors also impacts whether a region should focus on continued job growth in these sectors based on the community's ability to successfully compete for these jobs.

For instance, while Food Preparation and Serving is the second largest occupational sector, it had a negative competitive effect over the past five years and would be unlikely to add to the economic growth going forward if we focus on attracting companies in that occupational sector. Alternatively, if we examine Production Occupations, Athens County outperformed the nation in the attraction of these occupations over the past five years so we would be wise to focus efforts going forward on production occupations. Production jobs have an average hourly wage of \$17.78 while Food Preparation and Serving jobs have an average wage of \$10.35, which is up from \$9.34 in 2016 and almost half that of Production jobs. Had the county grown in all of the occupations present at the national average it would have added 964 jobs over the past five years. Efforts to gain employment in the most competitive sectors and those that have the greatest location quotient would grow the county even further over the ensuing five years.

Top Competitive Athens County Occupations (2020)

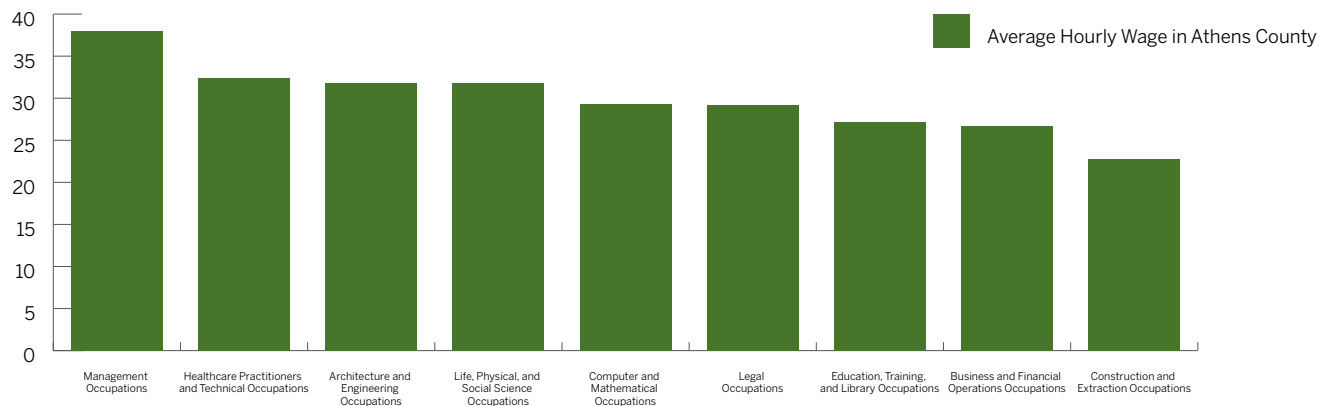


Source: Emsi

In 2016, data showed Food Preparation and Serving was the sector largest occupational sector but had a negative competitive effect over the previous five years and would be unlikely to add to the economic growth going forward if Athens County focused on attracting companies in that occupational sector. Alternatively, when we examined manufacturing, Athens County outperformed the nation in the attraction of these occupations over the previous five years so the county would be wise to focus efforts going forward on manufacturing occupations. Manufacturing jobs had an average hourly wage of \$17.08 while Food Preparation and Serving jobs had an average wage of just \$9.34, almost half that of manufacturing jobs. Had the county grown in all of the occupations present at the national average it would have added 1,745 jobs over the previous five years. It is also noteworthy that several of the top competitive occupations experienced wage growth over the last five years. Management grew from \$37.94 to \$43.18, Construction and Extraction from \$22.73 to \$23.03, and Healthcare Practitioners and Technical from \$32.39 to \$36.05.



Top Competitive Athens County Occupations (2016)



Source: Emsi

The workforce commuting patterns of a region are another critical component in a workforce analysis. If a county is dominated by workers from outside the county, the economic health of that county is likely in jeopardy as they are not producing the workers that their industry needs. Local governments also likely suffer a loss of tax revenues as workers from outside the city or county may not be paying as high taxes as the county workers.

The vast majority of people live and work in Athens County with 84.59% of the workforce staying in Athens County each day to work. This is not surprising given the presence of a large university institution. It speaks to the strength of the County that its citizens can find work locally and do not have to travel far for work. The workforce commuting pattern is largely the reason that the average commute time is 20.3 minutes. When looking at the amount of people that commute to Athens County we find that, beyond the large majority of people that work and live in the County, almost 15 percent of the people that commute to Athens County daily come from the counties bordering Athens. In this respect Athens is clearly a regional draw for jobs and economic prosperity.

ECONOMIC CONCLUSIONS

Athens County remains an economic leader in the southeast Ohio region and, like many communities, has seen shifts in its economic landscape. Athens County has experienced significant growth in educational achievement specific to high school graduates; has seen increases in hourly wages of its most competitive occupations; and most of the county's strongest industry sectors have increased their competitiveness over the last five years with substantial growth in skilled trades that are emerging sectors for Athens County. Despite being a regional economic leader, Athens County still lags by most comparisons of like communities and the state of Ohio as a whole. Economic struggles continue to be rooted in an over-reliance on government and low wage service jobs. Great opportunities for economic prosperity have proven to exist in manufacturing and services tied to these emerging industry sectors with a large workforce pool driven by the local university and community college.



Athens County SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • The national and state of Ohio economy continue to grow at modest rates. • Athens County continues to post modest GDP growth rates. • Athens County has a relatively low unemployment rate in the region with income rates well below the southeast Ohio, state, and national averages driven primarily by the location of Ohio University. • Athens County has a highly educated workforce with college attainment rates above both the national and Ohio averages. • Athens County has seen significant growth in high school educational attainment and more residents are better prepared to enter the workforce. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • The Industrial Midwest remains a manufacturing leader but continues to face mounting pressure from productivity gains and global and southern state markets. • A declining rate in associate degrees is creating a gap in the pipeline of qualified workforce to take jobs in in-demand occupations. • Athens County has seen a contracting civilian labor force, an elevated unemployment rate, and a growing poverty rate over the last five years.
<p>Opportunities</p> <ul style="list-style-type: none"> • Athens County continues to have a base of advanced services jobs but continues to experience growth potential in industries such as health care, manufacturing, logistics and energy. • Athens County serves as a regional magnet for jobs in Southeast Ohio, Northwestern West Virginia and Southeastern Pennsylvania and serves most of its residents who do not have to commute out of the county for work. 	<p>Threats</p> <ul style="list-style-type: none"> • Athens County continues to have a dangerous overreliance on government and low wage retail, food service and accommodation jobs for its economy leading to lower wage jobs and high poverty rates. • Athens county should continue efforts to diversify its employment and industrial base to provide for even greater economic prosperity. • The short-term and long-term impacts of COVID 19 will influence the future economic landscape of Athens County and industry winners and losers.



Athens County Stakeholder Interviews

Ohio University Stakeholder Interviews	Interview Responses
<p>1. What are OU's plans for real estate development in Athens County at the Ridges, West Union St, and Court St? Has OU engaged with outside developers about its real estate development plans?</p>	<p>The Ridges</p> <ul style="list-style-type: none"> • Rehab and reuse of the Ridges site is underway; rehab is costly and has presented challenges and OU is looking to stabilize funding at the site. • City is open to expanding DRD footprint to include the site. • OU is looking at stabilizing the buildings and then is looking to attract interest from developers and is open to Public-Private Partnership models. • Developers need to see mass at the Ridges. OU is moving administrative functions and students to create that mass which will hopefully drive appeal of the project to developers. <p>West Union St</p> <ul style="list-style-type: none"> • Interest from OU to attract private partners; a "Corporate on Campus" concept for companies to bring satellite offices from metro areas to Athens for companies to be closer to OU innovation, pipeline of workforce, etc. <p>Court St/Other Sites</p> <ul style="list-style-type: none"> • OU looking at current real estate portfolio and considering reducing number of buildings in its portfolio. • Hebbardsville land is still area of focus; need to determine highest/best use of property. • There is concern about costs of rebuilding structures and relocating structures. Fairgrounds is a ~30-acre site in the city.
<p>2. How can ACEDC and the City assist OU in these efforts?</p>	<ul style="list-style-type: none"> • As OU thinks about how to utilize different facilities/structures/buildings, OU has discussed ways to attract businesses into these structures. • OU is a primary owner of real estate in Athens and will likely contribute to increased competition for filling vacant space. • Broadband infrastructure is issue and OU wants to help develop infrastructure in community.
<p>3. In the visioning sessions with businesses there was a desired expressed to have a greater partnership and relationship with OU. What programs does OU have in place today to partner with local business and is OU open to more business relationships with local entities?</p>	<ul style="list-style-type: none"> • Ohio SE prosperity plan identifies employers wanting to be better connected to the academic institutions throughout the SE Ohio region. • Need for common voice around workforce/ training needs and programs that connect education with business. It is currently fragmented with little coordination. • OU experiential learning requirement upcoming. Local employers are opportunities for EL requirement; research, internships, community service are all eligible activities to earn the EL credits; OU wants to be targeted in trying to place students in local employers/organizations. • Go after more money to support workforce development partnerships and funding for future workforce opportunities.



Athens County Stakeholder Interviews	Interview Responses
1. What is your understanding/impression of the economic development successes and efforts of Athens County? How would you rate its effectiveness?	<ul style="list-style-type: none"> • Developing/implementing long-range plan is good and the accomplishments are impressive; ACEDC good communicator. • Target sectors are on point and good work with Ohio SE. • ACEDC and partners (JobsOhio, port authority, etc.) have effectively supported business growth opportunities. • There are parts in county that are in greater need of economic investment and infrastructure support; continued diversification into more rural communities is important. • The health of Athens County is directly connected to the health of OU. • Broadband extension and expansion are important to attracting and growing businesses in the county.
2. What should be done to attract and retain young people in Athens County?	<ul style="list-style-type: none"> • Build workforce development priorities; capturing young entrepreneurs and professionals from OU to start businesses and fill local workforce needs. • K-12 schools need to incorporate programs to build the skill sets local employers are looking for; JVS alignment with in-demand occupations/training needs to be enhanced.
3. In your view, what are the priority issues/problems, which currently impact Athens County's economic growth potential?	<ul style="list-style-type: none"> • Access to capital for small business startups/entrepreneurs/ecosystem is not vibrant and could be improved. • "Invest Appalachia" trying to bring more catalytic credit enhancement funds to help build a mechanism for nuanced capital stack structures. • Outside of student housing, affordable workforce housing is needed. • Difficulty finding and attracting middle and senior management workforce has caused some companies to target people who are emotionally connected to the area and then companies can build skill sets needed to fill jobs. • Finding and retaining employees is major business retention issue. • Underutilized opportunity is a marketing effort to attract companies to utilize IP/patents/technology work that is going on at OU; university needs to work more on commercializing their ideas vs. just being a theoretical university. • Direct connections between the business community and OU need to be re-established and maintained for mutual benefit.
4. What are the top three (3) objectives which need to be successfully accomplished during the next several years for Athens County's economic development program to be viewed as very successful? Specific projects; might be big buckets that require heavy lifting.	<ul style="list-style-type: none"> • Site development/speculative space to attract new and grow existing companies. • Work with communities on zoning to position sites for development opportunities. • Focusing on attracting and growing higher-wage jobs; remote work environment is area of opportunity that has been proven viable during COVID 19 pandemic. • ACEDC coordinate with local stakeholders to review priorities/missions and reduce duplication of services.



ATHENS COUNTY ECONOMIC DEVELOPMENT ACTION STEPS

In order to achieve continued success over the next five years, reduce the over-reliance on government and low-wage service jobs, and diversify the Athens County economy, the ACEDC needs to enact these seven action steps.

1. ACEDC needs to conduct an industrial site inventory program to identify potential sites for development, secure industrial site control and gain land use entitlements, infrastructure finance and tax incentives, seek AEP Quality Site Program Designation for Athens County Sites, and target growing industrial markets in food and beverage manufacturing and indoor agriculture.
2. ACEDC should work with the City of Athens to aggressively redevelop urban sites within the City of Athens by establishing a Community Urban Redevelopment Corporation (CURC), build a pool of state and federal funding to support Athens urban redevelopment, and assemble land to recruit developers to Athens.
3. ACEDC should work with its partners to facilitate and coordinate a strategy to build STEM Workforce Programs to Retain and Attract Tech Talent.
4. ACEDC should act as the facilitator to bring Ohio University and business and community leaders together on a regular basis to solve business issues and assist the Appalachian Partnership in the creation of "Forward Appalachian Initiative".
5. ACEDC should pursue funding at the state and federal levels to construct high-speed broadband infrastructure in the County. Additionally, ACEDC or an appropriate county agency should partner with a private sector entity to implement and utilize this funding.
6. ACEDC should address the housing shortage in Athens County by working with OU to develop a public-private partnership at the Ridges, working with the City to provide downtown mixed-use zoning, working to provide down payment assistance and rental subsidies, encouraging the City to provide tax abatement and more parking for downtown mixed-use projects.
7. ACEDC and its partners should establish the Bobcat Opportunity Fund Organization focused on the development of the three Athens County opportunity zone sites.

ACEDC Economic Development Plan Tactic #1 – ACEDC needs to conduct an industrial site inventory program to identify potential sites for development, secure industrial site control and gain land use entitlements, infrastructure finance and tax incentives, Seek AEP Quality Site Program Designation for Athens County Sites, and target growing industrial markets in food and beverage manufacturing and indoor agriculture.

ACEDC should identify new properties within Athens County that are well-situated to grow existing companies and attract new industrial businesses to Athens County. ACEDC should determine the public and private infrastructure needs of each site and develop a funding model to pursue to secure the dollars necessary to make each site development ready. Athens County, like the rest of the U.S. Appalachian region, struggles to find flat land ready for development. Rural Athens County offers unique opportunities for industrial development just like other rural communities but with the complexity of hilly topography. ACEDC should work with county representatives, such as the Engineer and Sanitary Engineer, and communities in more rural sections of Athens County to determine the public infrastructure investments necessary to open development opportunities for these communities. ACEDC should work in partnership with county and local community representatives to secure public infrastructure dollars.

ACEDC to develop industrial properties in Athens County should:

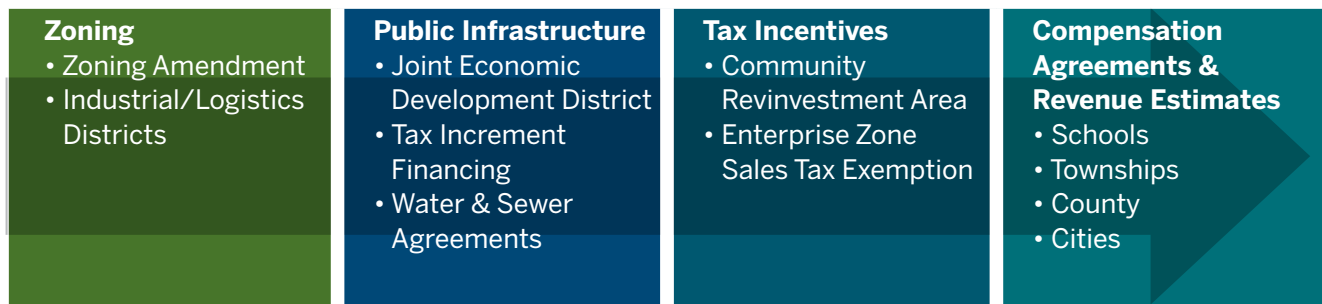
1. Prepare an industrial site inventory survey and identify top sites for industrial development.
2. Secure control over several of these potential industrial sites through the Athens County Port Authority or a friendly private developer and secure the land use entitlements, public infrastructure funding and services, tax incentives and compensation agreements with local governments and school districts; and
3. Seek site certification for AEP for food and beverage manufacturing and/or indoor agriculture projects for an industrial site identified within Athens County to help market the site.



ACEDC needs to conduct an industrial site inventory program to identify potential sites for development. The rolling hills of Athens County do not make industrial site development easy. The first step to foster the creation of high wage jobs and capital investment in Athens County is to identify potential sites that with proper investment could be made jobs ready. This survey will involve conversations with local government officials, commercial real estate brokers, local school officials and private property owners. An engineering consulting firm should be engaged to review potential sites to outline the infrastructure needs and costs for these sites. A report should be created that outlines the sites primed for potential industrial development in Athens County.

Secure industrial site control and gain land use entitlements, infrastructure finance and tax incentives. Following the creation of the Athens County site development survey, ACEDC should secure control of a small number of these sites. Industrial or logistics projects must have a site prepared for development through a multi-step process involving several levels of local government that designates permitted land use, develops required infrastructure, provides for needed tax incentives to attract end users and provides for tax revenues for local governments and schools impacted by the development.

Real Estate Site Development Process



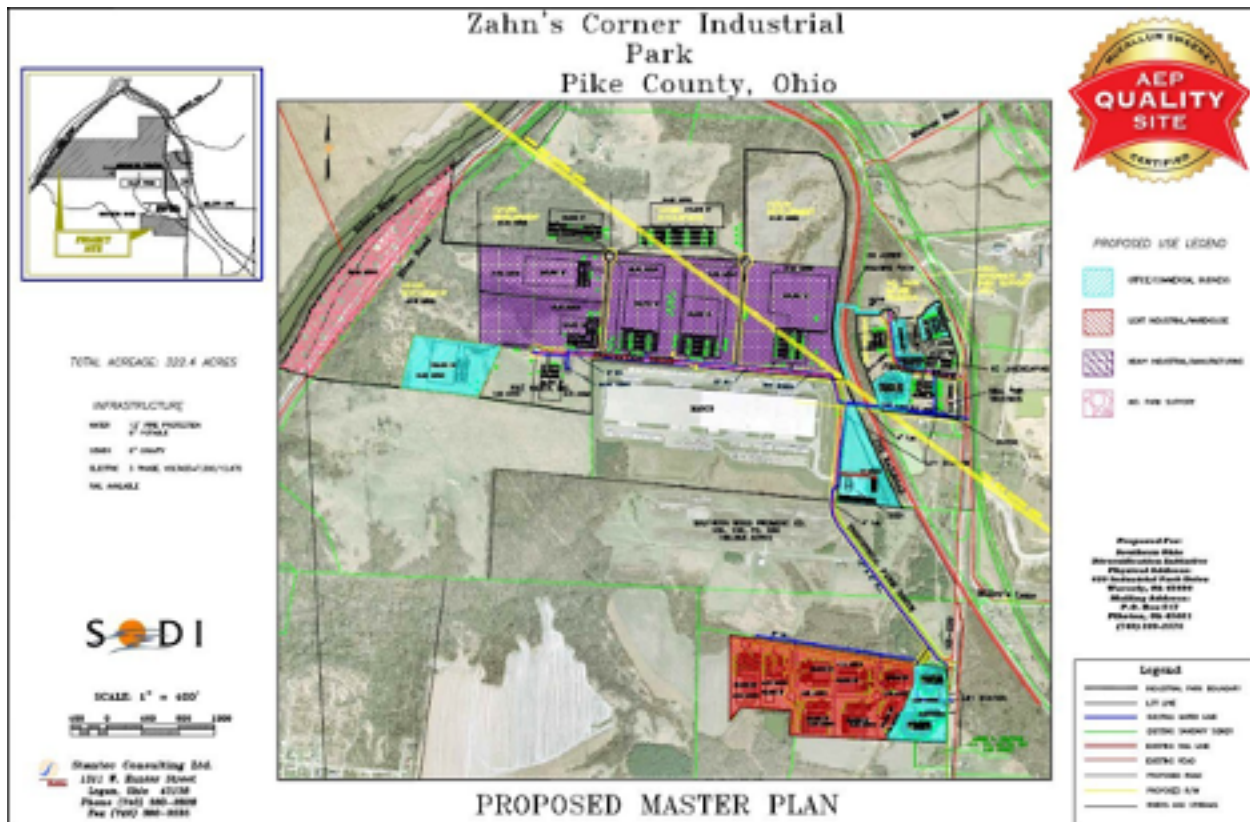
Ohio also allows Port Authorities to own property and lease it to private entities. The largest benefit for a private entity to use a port authority is for the exemption of sales tax on construction materials. Local port authorities do these transactions frequently and has an agreement with the county or city to provide port authority financing in the county will be required. This is another funding opportunities for local governments but also provides a substantial reduction in sales tax tied to a project's construction materials.

Athens County should:

- Work with local government, real estate brokerage and property owners to identify four potential sites for large scale industrial, data center or food processing developments.
- Gain ownership or control of the site(s) through the Athens County Port Authority or supportive industrial developer.
- Support the rezoning of the site(s) if needed to permit industrial, data center or food processing developments.
- Advocate for state and federal government site development funding from the JobsOhio Ohio Site Inventory Program, Ohio Rural Industrial Loan Program, and the U.S. Economic Development Administration Public Works Program.
- Support the establishment of a 100% 15-year property tax abatement through either the Ohio Enterprise Zone or Community Reinvestment Area programs at the site(s) including negotiations for a school district compensation agreement.
- Support the formation of a Joint Economic Development District (JEDD) at the site(s) if located in a township.
- Support the development of local public infrastructure financing and potentially tax increment financing if a Community Reinvestment Area tax abatement is used; and
- Prepare for the Athens County Port Authority all tools that can be used to develop sites tied to job creation and capital investment.



Seek AEP Quality Site Program Designation for Athens County Sites. American Electric Power (AEP) is one of the largest utilities in the U.S., serving electricity to over 5 million customers in 11 states. In addition to providing electric service, AEP also facilitates business location and expansion in our service territory and the company offers premier location advisory services and unmatched geographic scale delivers a powerful combination of resources to our clients across all industries. AEP, through Columbus Southern Power Company, has traditionally served Athens County, and Athens County should seek an AEP Quality Site Program Designation to further market potential new industrial or data center sites primed for economic investment. AEP Quality Sites are industrial properties that are development-ready. They have been vetted by a hand-picked team of industrial site selection and construction experts. Each Quality Site comes with infrastructure in place or scheduled, environmental studies completed, and energy solutions prepared to deliver. These sites are marketed by AEP, JobsOhio and others as primed for industrial, data center and food processing development.



Athens County is currently competing with a number of AEP Quality Sites throughout Ohio and the multi-state AEP territory including:

- Crossroads Industrial Center, Out lot #619, Bucyrus, Ohio, Food and Beverage Processing | 22.2 acres.
- Central Ohio Aerospace and Tech Center II, Heath, Ohio, Industrial | 33 acres.
- Eagle Rock Business Park – North, Tiffin, Ohio, Food and Beverage Processing | 37.9 acres.
- Ohio Crossroads Industrial Center, Bucyrus, Ohio, Industrial | 44.8 acres.
- Gateway Commerce Park – Certified Food Site, Lima, Ohio, Food and Beverage Processing | 58.5 acres.
- Vision Industrial Park, Van Wert, Ohio, Food and Beverage Processing | 59 acres.
- Logan-Hocking Commerce Park, Logan, Ohio, Industrial | 63 acres.
- Lancaster Colony, Lancaster, Ohio, Industrial | 106 acres.
- Pataskala Corporate Park, Pataskala, Ohio, Industrial | 120 acres.
- Gateway Commerce Park – Site V, Lima, Ohio, Industrial | 128 acres.
- Zahns Corner Industrial Park, Waverly, Ohio; Industrial | 216 acres; and
- Bogner Business Park, Wooster, Ohio, Industrial | 309 acres.

Utilizing the AEP Quality Sites program will help Athens County not only identify potential sites but to develop the infrastructure finance and tax incentive strategy needed to successfully develop these sites and create a global marketing platform connected to AEP and the JobsOhio network focused on food and beverage manufacturing and/or indoor agriculture.

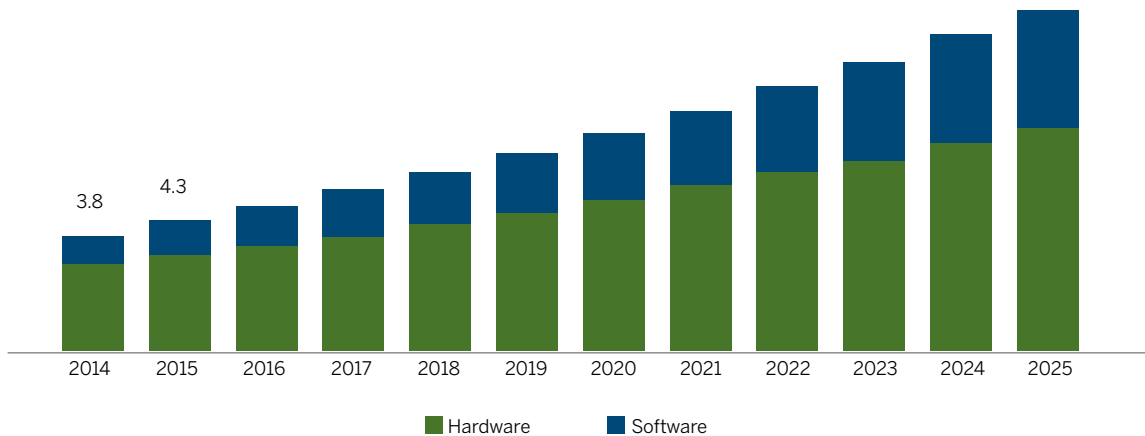
Target growing industrial markets in food and beverage manufacturing and indoor agriculture. Rural communities, like Athens County, have long been a popular location for manufacturing corporate site location projects. These facilities with through global competition or automation of their workforce are not the economic force for rural America they were twenty years ago. That economic stimulus can be reborn again through global economic changes spurred by COVID 19 to bring back the domestic supply chain to U.S. shores to prevent current and future disruptions in key manufacturing, pharmaceutical, personal protective equipment (PPE) and other industries looking to reshore facilities. Rural markets like Athens County are also strong candidates for energy-intensive advanced manufacturing projects like food processing and indoor agriculture and smaller logistics are good targets for rural industrial development. Logistics is a booming industry driven by the growth of the \$340 B e-commerce industry expected to grow to \$476 B by 2024⁸ transforming the retail industry into the fulfillment center industry which will drive annual net industrial absorption to more than 333 million sq. ft. by 2022 continuing the expansion of the logistics industry.⁹

Agriculture, food, and related industries contributed \$1.109 trillion to the U.S. GDP in 2019, a 5.2-percent share, and, the output of America's farms contributed \$136.1 billion of this sum—about 0.6 percent of GDP.¹⁰ The overall contribution of agriculture to GDP is actually larger than 0.6 percent because sectors related to agriculture rely on agricultural inputs in order to contribute added value to the economy.¹¹ Sectors related to agriculture include: food and beverage manufacturing; food and beverage stores; food services and eating and drinking places; textiles, apparel, and leather products; and forestry and fishing.¹²

The global indoor farming market size was valued at \$26.8 billion in 2018 and is expected to expand at a CAGR of 9.19% from 2019 to 2025.¹³ Increasing consumer awareness regarding the advantages of consuming fresh and high-quality food and the expansion of medical marijuana and the legalization of marijuana across the United States with regulatory requirements about where this crop is grown.¹⁴



North American indoor farming market size, by component 2014-2025 (USD Billion)



Source: www.grandviewresearch.com

The vertical farm segment is expected to exhibit the fastest CAGR of over 18% from 2019 to 2025, owing to the growing adoption of environmentally-friendly production of fruits and vegetables and higher demand for locally grown and organic food.¹⁵ Indoor agriculture facilities require hardware and software to control the climate, lighting, sensors and irrigation.¹⁶

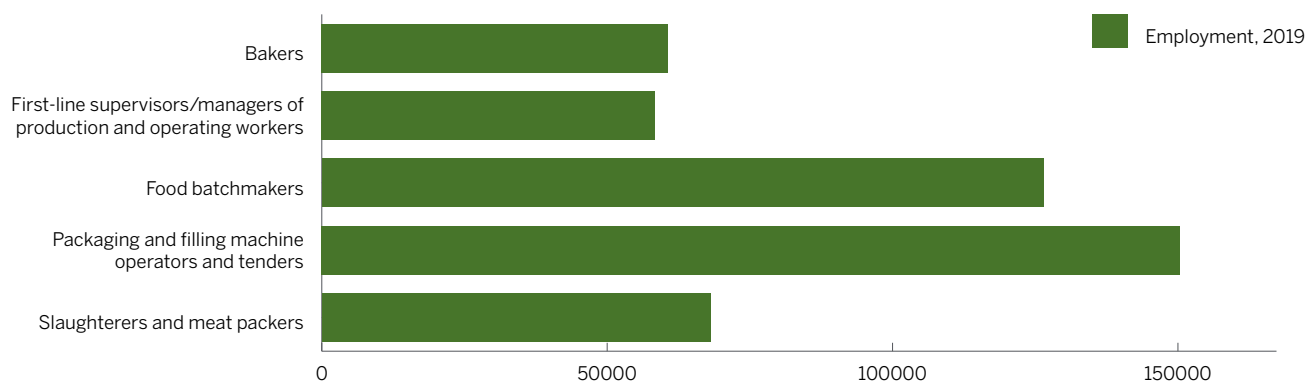
The fruits, vegetables, and herbs segment dominated the market for indoor farming and is estimated to continue leading over the forecast period but the flowers and ornamentals segment is expected to contribute significantly to market growth over the forecast period with a more than 25% market share.

Food manufacturing or food processing is a growing industry whose prospects are even brighter for U.S. production as the “eat local movement” and COVID 19 creates food security issues has the potential to drive additional production of this industry to domestic locations. Industries in the Food Manufacturing subsector transform livestock and agricultural products into products for intermediate or final consumption.¹⁷ The industry groups are distinguished by the raw materials (generally of animal or vegetable origin) processed into food products, and the food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers, but establishments primarily engaged in retailing bakery and candy products made on the premises not for immediate consumption are included.¹⁸ The food manufacturing subsector consists of these industry groups:

- Animal Food Manufacturing.
- Grain and Oilseed Milling.
- Sugar and Confectionery Product Manufacturing.
- Fruit and Vegetable Preserving and Specialty Food Manufacturing.
- Dairy Product Manufacturing.
- Animal Slaughtering and Processing.
- Seafood Product Preparation and Packaging.
- Bakeries and Tortilla Manufacturing; and
- Other Food Manufacturing.¹⁹



Food Processing Jobs, 2019



Source: U.S. Bureau of Labor Statistics

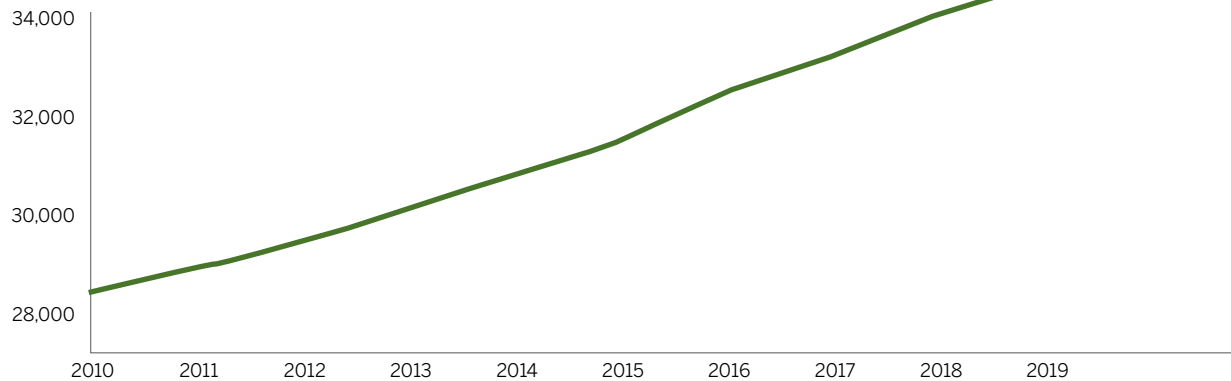
These occupations nearly all paid near the median average wage as outlined below:

- Bakers median annual wage is \$28,300.
- First-line supervisors/managers of production and operating workers in food manufacturing median annual wage is \$56,910.
- Food batch makers median annual wage is \$31,560;
- Packaging and filling machine operators and tenders median annual wage is \$32,140; and
- Slaughterers and meat packers median annual wage is \$29,420.²⁰

The U.S. Bureau of Labor Statistics found there are over 35,000 establishments or companies in the food manufacturing industry, and, as the chart below illustrates, food manufacturing facilities in the United States have continued to illustrate strong and steady growth.²¹ A recent study suggested the global food processing solutions industry generated revenues worth \$58,250.45 million in the year 2019 and is expected to register commendable growth between 2020 and 2026.²² The growth is primarily attributed to focus among major companies towards adopting efficient and fast food processing and distribution systems.²³ In 2018, the U.S. food and beverage manufacturing sector employed more than 1.7 million people or just over 1 percent of all U.S. nonfarm employment.²⁴ In thousands of food and beverage manufacturing plants located throughout the country, these employees were engaged in transforming raw agricultural materials into products for intermediate or final consumption. Meat and poultry plants employed the largest percentage of food and beverage manufacturing workers, followed by bakeries, and beverage plants.



U.S. Food Manufacturing Establishments 2010-19



Source: <https://data.bls.gov/pdq/SurveyOutputServlet>

Food and beverage is a global and mature industry that includes household consumer brands as illustrated by the list of 10 largest food and beverage companies.

Top 10 Food & Beverage Companies

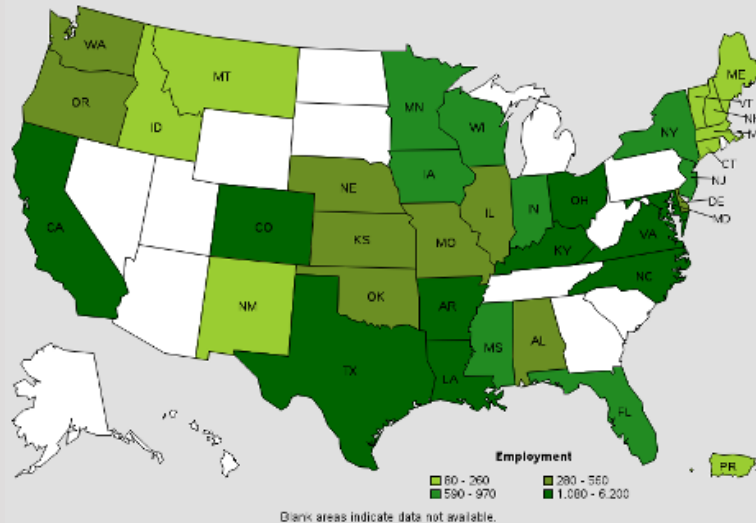
PepsiCo Inc.
Tyson Foods Inc.
Nestle
JBS USA
Kraft Heinz Co.
Smithfield Foods Inc.
Anheuser-Busch InBev
General Mills Inc.
Coca-Cola Co.
Mars Inc.

Source: Foodprocessing.com

The U.S. Bureau of Labor Statistics further defines food processing workers to number of 42,000 across the United States covering a range of industries and occupations. The map below outlines which states are leaders in the food processing industry based upon the number of workers they have in this industry.



Employment of food processing workers, all other, by state, May 2019



Source: Bureau of Labor Statistics

ACEDC and Athens County are well positioned in the state of Ohio and in the Industrial Midwest to prepare an industrial site certified by AEP focused on growing markets like food and beverage processing and/or indoor agriculture.

ACEDC Economic Development Plan Tactic #2 – ACEDC should work with the City of Athens to aggressively redevelop urban sites within the City of Athens by establishing a Community Urban Redevelopment Corporation (CURC), build a pool of state and federal funding to support Athens urban redevelopment, and assemble land to recruit developers to Athens.

Boulder, Colorado, Asheville, North Carolina and elsewhere have figured out a way to transform challenging urban terrains into economic success. Athens County needs to approach site development in two distinct ways: urban redevelopment and rural development. Historic cities such as Athens and Nelsonville offer completely different challenges and opportunities for site development tied to the redevelopment of historic structures and the complexities and opportunities of urban sites for residential, retail and mixed-use development. ACEDC and the City of Athens should proceed with an urban redevelopment strategy focused on three clear steps:

1. Create a community urban redevelopment corporation not-for-profit entity to take the lead in redeveloping urban sites in Athens.
2. Create a pool of funding for redevelopment urban sites within Athens.
3. Identify and recruit private sector developers to take the lead in specific redevelopment projects.



Create community urban redevelopment corporations to redevelop municipal sites. ACEDC should encourage the City of Athens to form a community urban redevelopment corporation (CURCs) in partnership with ACEDC and Ohio University to focus urban redevelopment efforts in the City of Athens. Ohio municipal corporations may create CURCs to target blighted areas of their communities. They are either for-profit or nonprofit corporations that redevelop certain blighted urban areas by acquiring and maintaining a project. They operate under a “community development plan.” A community development plan must be approved by the governing body of the municipal corporation where such blighted area is situated. The plan must include an agreement for the sale or lease of all or a portion of the land included in the redevelopment to the CURC. To establish a CURC, articles of incorporation must be filed with the Ohio Secretary of State. Specifically, the articles must state that the objective of the corporation is: (1) to operate as a CURC, and (2) to initiate and conduct projects for the clearance, replanning, development, and redevelopment of blighted areas within municipal corporations. They must also include a declaration that the corporation has been organized to serve a public purpose. The improvements made in the development or redevelopment of a blighted area under the community redevelopment statute are declared to be a public purpose. With the approval of the board of education of the city, local, or exempted village school district within the territory where the improvements will be made, the assessed valuation of the improvements exempted from taxation may exceed 75%, but not 100%. When a city demonstrates a clear purpose to use land acquired as part of an urban renewal plan, the land is to be used for a public purpose and is exempt from real property tax. The exemption will not last any longer than 30 years for one-, two-, or three- family residential dwelling units, and 20 years for all other uses of the improvements.

The CURC contracting with an impacted city will pay an annual service charge in lieu of taxes on the improvements that are exempted from taxation. Similar to payments in lieu of taxes required to be paid in connection with a tax increment financing, the annual service charge will be assessed and paid in two equal installments at the same time and in the same manner as real property taxes.

A CURC, through its board of directors, may acquire land from a local municipal corporation through sale or lease, and may also acquire public or private property, by purchase or otherwise. A municipal corporation has eminent domain powers for urban renewal and slum or blight removal, which it may use in connection with a CURC project. The municipal corporation may then sell or lease the land to the CURC. A municipal corporation may issue bonds to pay costs of an urban renewal project and enter all necessary contracts.

Several CURCs exist throughout Ohio, especially in its urban centers. Athens County cities such as Athens and Nelsonville could benefit from the creation of a CURC to address urban blight and kick start development that may not have otherwise occurred and sell their development plans to buyers. By creating strategic plans to address and combat urban blight, through community urban redevelopment corporations, communities can see dramatic upswings in even the most devastated areas. By addressing blight from bottom-up—by retaining jobs and creating greater economic opportunities in areas—urban districts suffering from blight can see economic growth and even economic success. CURCs in Athens County could also create a tax incentive approach and infrastructure finance vehicle needed to redevelop complex urban sites. Funding for the CURC can be provided by property owners in targeted areas within these Athens County cities.

Cincinnati CURC Case Study. In Cincinnati’s Over-The-Rhine neighborhood, the Over-The-Rhine Brewery District Urban Development Corporation is heavily investing in the area’s renaissance. During the early 1800s, Over-The-Rhine was home to thousands of German immigrants. Over time, the once working-class neighborhood fell into severe economic distress, suffering from rampant crime and a nearly 60% poverty rate by the turn of the 21st century. Through the work of a CURC and 3CDC, the downtown Cincinnati economic development corporation, Over-The-Rhine has experienced an economic revitalization. The area is now home to a variety of restaurants, bars, shops, and luxury housing units. As a result, the area is also experiencing less crime. Since 3CDC and the Over-The-Rhine Brewery District Urban Development Corporation began investing in the area in the early 2000s, crime rates have plummeted. As young professionals flock to neighborhoods like Over-The-Rhine for its comparatively inexpensive rent and hip atmosphere, corporations are similarly attracted to these regions.



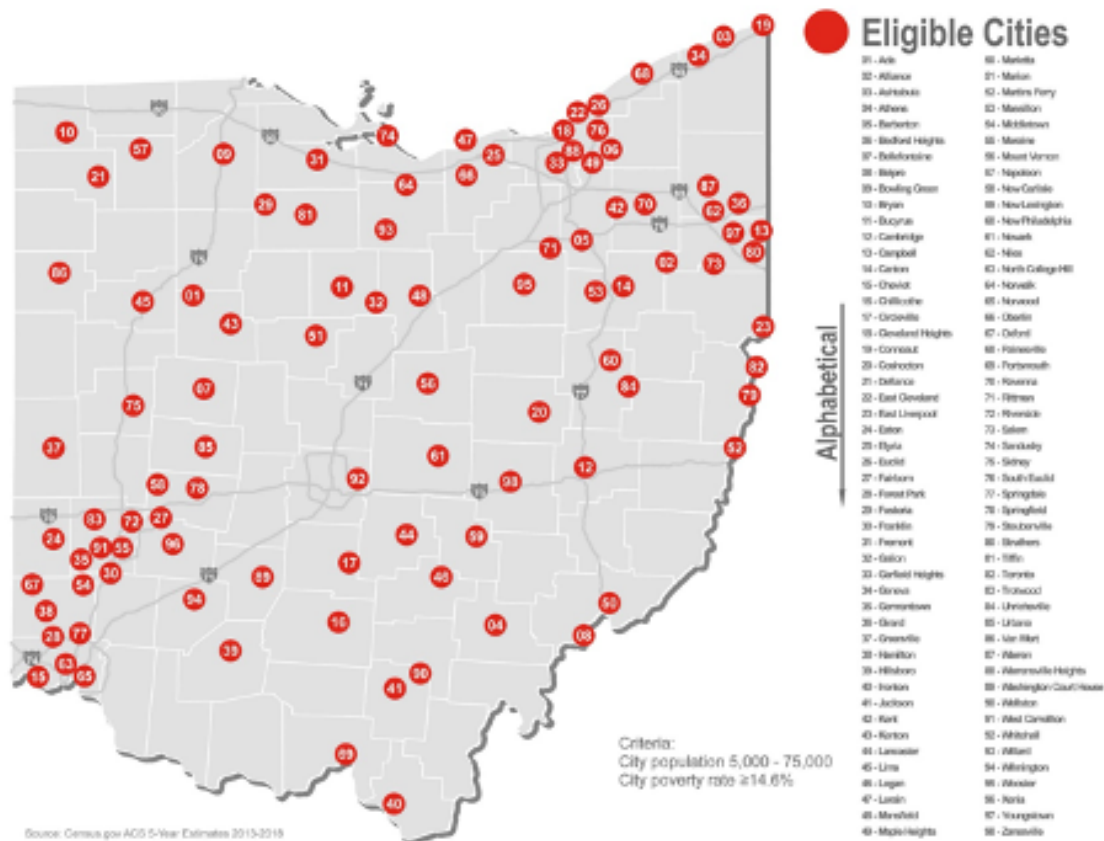
The City of Athens should form the Athens Community Urban Redevelopment Corporation funded by the City of Athens and Ohio University to focus solely on the redevelopment of parcels in the City of Athens. The Athens Community Urban Redevelopment Corporation should form a board consisting ACEDC, City of Athens and Ohio University leaders, development of the corporate body, creation of a business plan, engagement to assemble sites for potential development, enactment of public finance infrastructure and economic development tax incentives for these sites.

ACEDC should build a pool of state and federal funding to support Athens urban redevelopment.

- ***JobsOhio Revitalization Program.*** The JobsOhio Revitalization Program Loan and Grant Fund is designed to support the acceleration of redeveloping sites in Ohio. Primary focus for the program is placed on projects where the cost of the redevelopment and remediation is more than the value of the land and a site cannot be competitively developed in the current marketplace.²⁵ Priority will be placed on projects that support near term job creation opportunities for Ohioans, and for revitalization projects typically that retain and/or create at least 20 jobs at a wage rate commensurate with the local market with job creation and retention projects within JobsOhio targeted industry sectors, those making additional capital investment beyond remediation and redevelopment and/or projects with wages higher than the average local wage rate.²⁶ Eligible applicants include businesses, non-profits or local governments where the entity committing the jobs has signed an agreement such as a letter of intent, option, lease or holds title for the project site and has a specific business plan, financing plan and schedule for redevelopment and job creation to occur.²⁷ Eligible sites include an abandoned or under-utilized contiguous property where redevelopment for the immediate and primary purpose of job creation and retention are challenged by significant redevelopment constraints.²⁸ Eligible costs include: demolition; environmental remediation; building renovation; asbestos and lead paint abatement; removal and disposal of universal and construction waste; site preparation; infrastructure; and environmental testing and lab fees; and remediation projects.²⁹ For environmental remediation loans and grants, a No Further Action letter issued by an Ohio Certified Professional is typically required for projects where long-term engineering controls are necessary on the site.³⁰ In certain circumstances, JobsOhio may require a Covenant Not to Sue from the Ohio Environmental Protection Agency, depending on the project and site characteristics.³¹
- ***JobsOhio Vibrant Communities Program.*** The JobsOhio Vibrant Community Program assists distressed small and medium sized communities with the implementation of catalytic development projects that fulfill a market need and represent a significant reinvestment in areas that have struggled to attract new investment.³² JobsOhio has identified 98 cities with populations between 5,000 and 75,000 and poverty rates that are at or above the state's average poverty rate that are eligible for support in this program, and eligible applicants include businesses, non-profits, developers, port authorities or local governments.³³ The Vibrant Community Program will offer competitive grants of up to \$2 million for development projects that help transform areas within a distressed community.³⁴ Funding will not exceed 50% of eligible costs, projects must have at least one identified end user. Mixed use projects are eligible; however, the strongest applicants will have a higher %age of space used for job creation and retention.³⁵ Eligible projects generally fall into two categories:
 - Real Estate Development Projects – Includes redevelopment of significant community assets, downtown redevelopment, or renovation of outdated retail spaces for a new, non-retail use, and they must have an end user committed to occupy at least 30% of the space.
 - Operated Shared Spaces - Includes business incubators, accelerators, innovation centers and co-working spaces, facilities should target appropriate users, preferably within defined JobsOhio target industries but may also include early stage businesses, and shared spaces must be managed by an experienced entity and offer relevant programming.³⁶

The projects will be evaluated on a number of criteria to assess their financial feasibility and community impact and funded on an annual basis.³⁷





ACEDC should support the Athens Community Urban Redevelopment Corporation's effort to assemble land by recruiting developers to specific sites. Following the formation of the Athens Community Urban Redevelopment Corporation, assembly of land for sites and creation of funding for infrastructure and other site development efforts at these sites, ACEDC should work to recruit private sector private developers for the sites the Athens County Urban Redevelopment Corporation assembles. Athens County needs to recruit private sector developers from other markets and will need to prepare the sites as much as possible to make the sites attractive to out of town developers.

ACEDC Economic Development Plan Tactic #3 – ACEDC should encourage its partners such as the Voinovich School to coordinate a strategy to build STEM Workforce Programs to Retain and Attract Tech Talent.

Attracting talent and creating a pipeline of future workers is critical to meeting the employment needs of Athens County businesses. Working together with K-12 and higher education partners, ACEDC should facilitate coordination between employers and educational leaders in Athens County to encourage workforce talent pipeline strategies that bring and attract mid and senior level management to the county.

COVID 19 has not solved the skilled workforce challenge for the United States. High unemployment rates do not translate into the availability of skilled workers in the occupations that will grow in the future. Rural workforce development often exists in several components due to the challenge of distances from urban centers and a lack of population density in rural markets.

- **Distance Learning.** COVID 19's explosion of digital communication supports the development of workforce development via distance learning in rural markets. Many rural communities lack access to curricula and specialized faculty and trainers available to urban markets, but the transition of many work meetings from in person to on-line video conferencing provides an opportunity for rural markets to eliminate the challenge of distance and reduce travel time for their workers in need of training. Workforce development through distance learning offers all of the advantages of self-paced learning but that system will still need support systems that integrate distance learning into workplace, academic, and community environments.³⁸



- **Competency-based learning.** Competency-based learning is defines what a worker knows and can do, and it helps employers, employees, and job seekers to understand better what knowledge, skills, and capabilities they should add to their portfolios to be qualified for specific careers.³⁹ Competency-based learning also allows the possibility of stackable credits, where learning results in units of transferrable credits that reflect competencies attained irrespective of where and how that learning takes place.⁴⁰
- **Lifelong Learning.** Finally, lifelong learning, recognizes the need for workers to continue to update and acquire new knowledge and skills throughout their work lives.⁴¹ It is essential for work and learning to happen simultaneously, not sequentially, allowing for learning to have experiential context and for work to be improved by learning.⁴²

Recent U.S. Department of Agriculture (USDA) survey data that show one out of four businesses located outside metropolitan areas struggle to find qualified workers, compared with just one in six businesses in metro areas that cite the same problem.⁴³ According to participants, job applicants in their regions often lack necessary skills in basic math, hands-on trades, information technology, and manufacturing; however, participants also noted a shortage of higher-skilled workers with bachelor's degrees and beyond.⁴⁴

Developing a technology industry workforce is essential for companies and regions focused on economic growth. Workers in the Science, Technology, Engineering and Math (STEM) fields are the core for any effort to build an energy friendly workforce. STEM workers constitute about 5 percent of the U.S. workforce, but accounts for more than 50 percent of the nation's sustained economic growth according to the Department of Labor. Again, according to the Department of Labor, if current trends continue, more than 90 percent of all scientists and engineers in the world will live in Asia. The growth in STEM related jobs is expected to exceed the demand for non-STEM related occupations. However, while the U.S. leads all industrial nations in the raw number of STEM graduates, the U.S. is losing ground when it comes to developing younger STEM workers to meet workforce demands created by retiring Baby Boomers.

Build STEM Workforce Programs to Retain and Attract Tech Talent. Athens County should replicate a program from Arizona that is being coordinated by Amazon Web Services (AWS), the state of Arizona, K-12 schools, community colleges and four-year universities to develop AWS certified cloud computing workers. According to LinkedIn, cloud computing has remained one of the most in-demand hard skills for the past five years, and two AWS Certifications appear on the top 10 highest paying certifications list by Global Knowledge (2019). In Ohio, Columbus State Community College is the only institution that has built a similar program to the Arizona AWS cloud computing initiative. Columbus State and AWS Academy together are providing Amazon Web Services (AWS) training to Central Ohio. Columbus State is offering professional development programs using AWS Academy course content to offer professional development programs designed to build cloud skills and credentials.⁴⁵ These classes provide an opportunity for IT and other professionals to expand their knowledge of cloud computing to stay competitive in their field.⁴⁶ Currently, there are two AWS courses offered.⁴⁷ The Academy Cloud Foundations (ACF) course is designed for students who want an overall understanding of cloud computing concepts, independent of specific technical roles, and the course provides a detailed overview of cloud concepts, AWS core services, security, architecture, pricing, and support.⁴⁸

Athens County should collaborate with its workforce development partners and educational institutions such as the Voinovich School to develop a STEM workforce development program by replicating the AWS Arizona program in Southeast Ohio by:

- Coordinating business and local educational institutions to form a STEM Workforce Committee to retain local high school, career center, community college and university graduates in the STEM fields.
- Seeking JobsOhio Workforce Development Funding to create an AWS certified cloud computing program as the first of several Athens County STEM initiatives.⁴⁹
- Coordinating conversation with the AWS and Amazon leadership to develop the Athens County AWS Certified Program.⁵⁰
- Developing the educational curriculum for the AWS certified program in partnership with Athens County K-12 schools, Hocking Technical College and Ohio University; and
- Launching of the Athens County AWS Certified Program.⁵¹

The Athens County AWC Certified Program can be the first of many STEM workforce development programs launched by ACEDC to support the retention and attraction of STEM workers in the region that will be the key to attracting tech companies to the region.



ACEDC Economic Development Plan Tactic #4 – ACEDC should act as the facilitator to bring Ohio University and business and community leaders together on a regular basis to solve business issues and assist the Appalachian Partnership in the creation of "Forward Appalachian Initiative".

Universities are major investors in a community and are hotbeds of innovation, entrepreneurship, and development of educated and skilled talent. Ohio University is a cornerstone to the economic landscape of Athens County and many of the businesses and community initiatives in Athens County are driven by the needs of the university. Aligning the priorities of OU, community, and business leaders needs to be more robust and integrated for long-term Athens County prosperity.

The relationship between a university and its host city is substantially different from other intergovernmental relationships. Both institutions are engaged in governing land in the same place, but they have very different missions. Cities are focused on local government services such as zoning and land use, economic development, public safety, public utilities, and public services such as managing waste disposal, and clearing streets of snow. Universities often run small towns on campus and provide all the essential public services as cities, but their mission is to educate students and promote academic research. Universities are highly decentralized, but they are playing a larger and larger role in not just educating students but preparing them for the workplace.

University-community partnerships can focus on developing real estate or even connecting students with area business leaders for job opportunities in the hopes that the students will stay in the region upon graduation. Several examples of university-city partnerships include:

- University of California, Davis, and the city of Sacramento announced the establishment of Aggie Square, a 25-acre playground for the digitally curious that will be outfitted with 1 million square feet of research, incubator and accelerator space, members of UC Davis and government officials see this as a steppingstone for all parties involved.
- In midtown Atlanta, Technology Square is a symbol of the collaboration between the city and Georgia Institute of Technology to foster a new generation of tech-savvy graduates where, inside the center, students have access to resources like credits through Google Cloud for Startups and Microsoft for Startups, helping them grow their strengths and hone the skills employers seek.
- In Durham, N.C., Duke University and city officials have seen their project, the Chesterfield Building, grow into a thriving innovation hub nestled in the downtown area, and Microsoft recently announced it would invest in a new innovation hub within the building, offering research tools through its Azure cloud software to help Duke affiliates in their academic pursuits.

Ohio University and the City of Athens can clearly partner on real estate development matters and can do so through Action Plan Tactic #2 which recommends the formation of the Athens Community Urban Redevelopment Corporation that will build an economic development not-for-profit corporation to focus on redeveloping sites in Athens. However, site development is not the only way Ohio University and the City of Athens should work together. Gaining population for the City of Athens and Athens County, in particular college educated residents, is a critical issue facing Athens and other rural communities.

The Ohio University and City Athens should form the "Appalachian Forward Initiative" to address this critical issue. The Athens Forward Initiative will be an informal organization that is created by Ohio University leadership, City of Athens and area business leaders to build better connections between the university, city and local companies. This can be done in conjunction with the work ACEDC is currently doing with Appalachian Ohio Manufacturers' Coalition. The Appalachian Forward Initiative needs a Board of Directors that includes the President of Ohio University, Mayor of Athens, President of the Appalachian Partnership, Inc. and other Southeast Ohio business and university leaders should be formed as a not-for-profit corporation. First, the Athens Partnership should survey Southeast Ohio area business leaders to better understand how the university can partner with them. Second, the Athens Forward Initiative, based upon this business survey should work in partnership with OU's Corporate Engagement Office, Ohio SE's BEACON (Becoming Aware of Career Opportunities Network) program, and regional higher education institutions to expand efforts to link university students with area business through co-op and internship opportunities while the students are still in school. As Ohio University implements an experiential learning requirement into student curriculum, a comprehensive regional effort to connect students to local internships and career opportunities helps root



young talent in Athens County. Internships and co-ops, otherwise known as experiential education, are a window into the world of professional work, the chance to take a risk-free career test drive, and an opportunity to explore your career choices.⁵² In a recent national survey of employers, they reported that over 65% of their new college hires had some sort of internship or co-op experience.⁵³ This survey also reported that students with internship and co-op experience have higher starting salaries than those without experience; sometimes as much as 20% more.⁵⁴ Other programming efforts may come out of discussions between the university, city and API but co-ops and internships provide future workers for companies and future employment for university students creating a clear win-win for Ohio University and area employers. As one of the largest communities in Southeast Ohio, the City of Athens also wins from this initiative as they are a prime location for these companies to locate and the place Ohio University students can live when they graduate and work in the region. Several colleges within Ohio University operate successful co-op and internship programs, and the connection with the City of Athens and API will help expand that program to more regional, Southeast Ohio companies.

ACEDC Economic Development Plan Tactic #5 – ACEDC should pursue funding at the state and federal levels to construct high-speed broadband infrastructure in the County. Additionally, ACEDC or an appropriate county agency should partner with a private sector entity to implement and utilize this funding.

According to the FCC, ninety-seven percent of Americans in urban areas have access to high-speed broadband infrastructure. Contrast that to only sixty-five percent in rural America. Broadband infrastructure has moved from a luxury to a necessity for access and connectivity in education, healthcare and telemedicine, a growing remote workforce, e-Commerce activity, and business performance. The ACEDC should leverage research completed by the Buckeye Hills feasibility study to focus on accessing state and federal funding programs to ensure Athens County businesses, workers, and residents gain access to critical Broadband infrastructure. The results the Buckeye Hills study showed that 80% to 90% of households (in areas with 20 or fewer households per square mile) have no access to broadband and it is estimated that more than 340,000 households, approximately 1 million residents, in Ohio do not have any internet access.⁵⁵ Not all the local broadband news is bad, cable telecommunications company Spectrum announced recently they were going to build a 20-mile fiber loop to serve large parts of Athens County, Ohio.⁵⁶

For more than 300,000 households, which is close to 1 million Ohioans, a major barrier they face is access to high-speed internet.⁵⁷ In parts of Ohio, there are households that lack the basic connectivity necessary for children to do homework, look for a new job or access an online education or training programs and these challenges have created even more obstacles with COVID 19 forcing students and parents to work from home over inadequate broadband networks.

The work from home (WFH) revolution that COVID 19 is spreading could be a boon for rural communities who address quality of life issues but not unless they have adequate broadband to serve this digital revolution. Consumers and businesses are using their mobile devices more than ever before to connect to everyone and everything around them. The demand for wireless data is on the rise with data usage on AT&T's network increasing more than 360,000% from 2007 to 2017. Small cells help bring customers faster download speeds, improved call quality and a better overall wireless experience. With this increased demand and pressure on the mobile network, the telecommunications industry is working on ways to enhance their network, prepare for 5G network deployment and provide the best possible experience for our customers.

No one is against the installation of more broadband technology into rural communities. As the map below illustrates, rural communities in Ohio, as elsewhere, face a daunting challenge with access to high-speed data networks that people and companies demand to live, work and play. Two challenges exist with bringing enhanced broadband to rural communities. First is who should provide the service- the public or private sector. Many communities desperate for broadband services have launched publicly owned and operated broadband projects. Others are working to entice the private sector to provide these services. No matter who provides the broadband services, neither the public nor private sector will be successful without additional funding. Economists estimate the cost to provide a fiber optic network to underserved rural communities \$61B.⁵⁸ The federal Telecommunications Act of 1996—a federal law designed to help deregulate the telecommunications industry and promote competition—permits fees to be levied on telecommunications providers and passed on to consumers and is used to offset the cost of deploying phone and internet to areas without access and those that are expensive to connect, such as rural communities.⁵⁹ Fees for the use of public-right-of-way, civil penalties, toll road revenue, legal settlements with tobacco, financial and telecom companies have all been used to fund rural broadband projects.

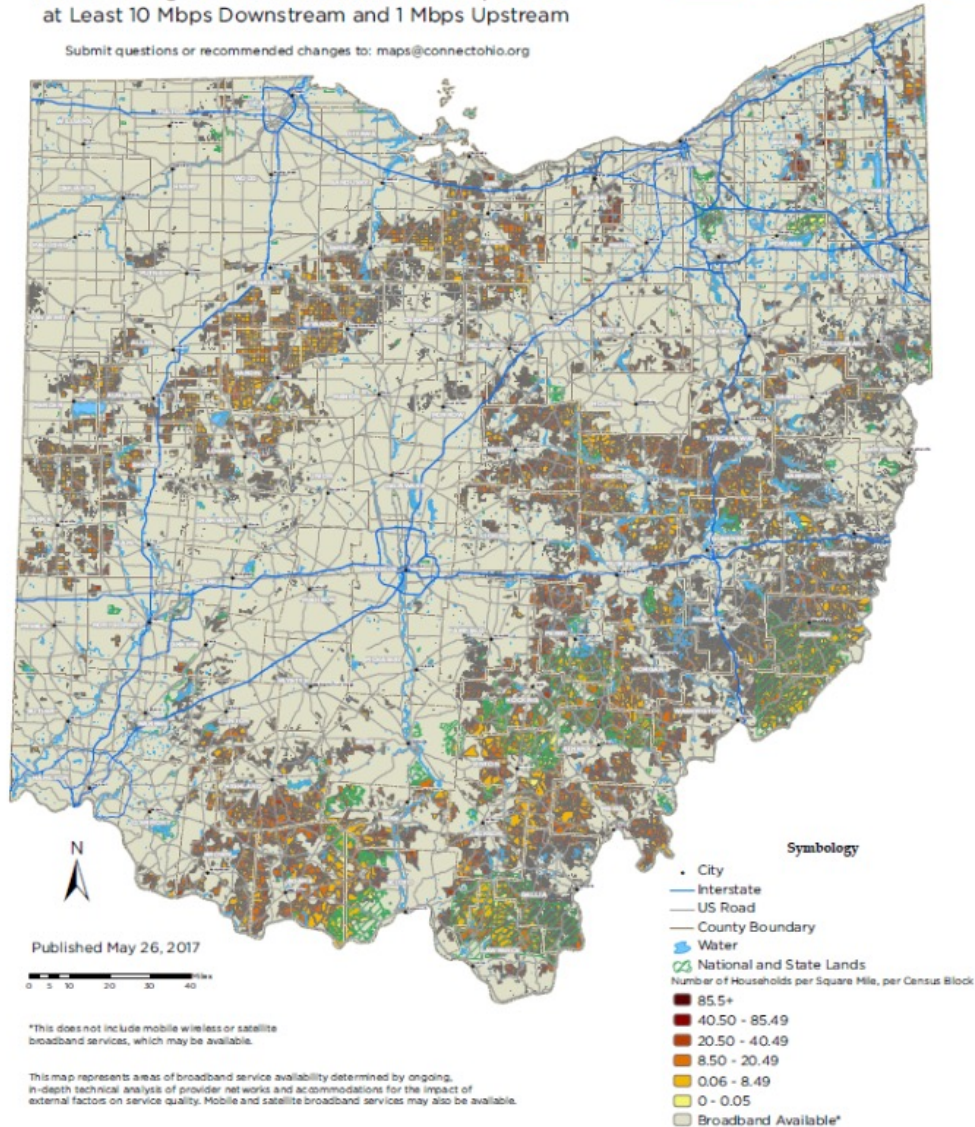


Density of Households Unserved by a Broadband Provider by Census Block



Areas Lacking Broadband with Advertised Speeds of at Least 10 Mbps Downstream and 1 Mbps Upstream

Submit questions or recommended changes to: maps@connectohio.org



As the Ohio broadband map illustrates, Southeast Ohio is substantially underserved for broadband telecommunication services driven primarily by its challenging terrain matched by a lack of population density that creates a market disincentive for developing high-speed data networks.

Ohio public policy makers are working on addressing the issues. Governor Mike DeWine and Lt. Governor Jon Husted have launched the Ohio Broadband Strategy focuses on improving access for two groups: the unserved and underserved. According to the Federal Communications Commission, unserved areas are those that do not have any high-speed internet access or only have access to service at speeds of at least 10 megabits per second downstream and 1 megabit per second upstream.⁶⁰ Underserved areas are those which have service but at a speed less than the FCC's definition of high-speed internet at 25 megabits per second downstream and three megabits per second upstream.⁶¹

In order to address the lack of broadband in Athens County and provide higher broadband speeds for businesses, work from home users, and residents of Athens County, ACEDC should pursue funding at the following levels. Additionally, ACEDC or an appropriate county agency should partner with a private sector entity to implement and utilize this funding.



- 1. U.S. Department of Agriculture.** USDA Rural Development in 2020 provided \$200 million for grants, up to \$200 million for 50/50 grant/loan combinations, and up to \$200 million for low-interest loans for rural broadband programs.⁶² The ReConnect Program offers unique federal financing and funding options in the form of loans, grants, and loan/grant combinations to facilitate broadband deployment in areas of rural America that don't currently have sufficient access to broadband, defined by the law as 10 Mbps (megabits per second) downstream and 1 Mbps upstream.⁶³ The goal of the program is to generate private sector investment to deploy broadband infrastructure to provide high-speed internet e-Connectivity to as many rural premises as possible, including homes, community facilities for healthcare and public safety, schools, libraries, farms, ranches, factories, and other production sites.⁶⁴
- 2. US Department of Commerce, Economic Development Administration.** EDA Public Works and Economic Adjustment Assistance Programs including CARES Act Funding provides grant funding for activities that include economic recovery planning and preparing technical assistance strategies to address economic dislocations caused by the coronavirus pandemic, preparing or updating resiliency plans to respond to future pandemics, implementing entrepreneurial support programs to diversify economies, and constructing public works and facilities that will support economic recovery, including the deployment of broadband for purposes including supporting telehealth and remote learning for job skills. The grants range from \$100,000 to \$30,000,000. Eligible applicants include State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; Institution of higher education or a consortium of institutions of higher education; or Public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State.
- 3. Develop RFP for Larger Private Broadband Network.** ACEDC or an appropriate County entity should partner with a private sector high-speed broadband network provider to utilize the state and federal funds secured for upgraded broadband in the County. An RFP should be issued to appropriate private sector entities that have the capabilities of running a full-scale, high-speed broadband network. ACEDC will not have success with its broadband efforts unless it has a competent private-sector partner in place to run the high-speed broadband network.

ACEDC Economic Development Plan Tactic #6 – ACEDC should address the housing shortage in Athens County by working with OU to develop a public-private partnership at the Ridges, working with the City to provide downtown mixed-use zoning, working to provide down payment assistance and rental subsidies, encouraging the City to provide tax abatement and more parking for downtown mixed-use projects.

Athens County has a housing shortage that ranges from workforce and affordable housing to mid-level housing stock and this housing shortage is having a direct negative impact on retaining and attracting talent to the county. Compared to metropolitan and urban settings, housing development in rural areas is often viewed as risky investments by developers. Market rate housing is a major component to driving talent attraction and the ACEDC should facilitate mechanisms that promote housing development with local housing agencies and developers to explore opportunities to construct market rate housing developments in Athens County to support workforce development efforts.

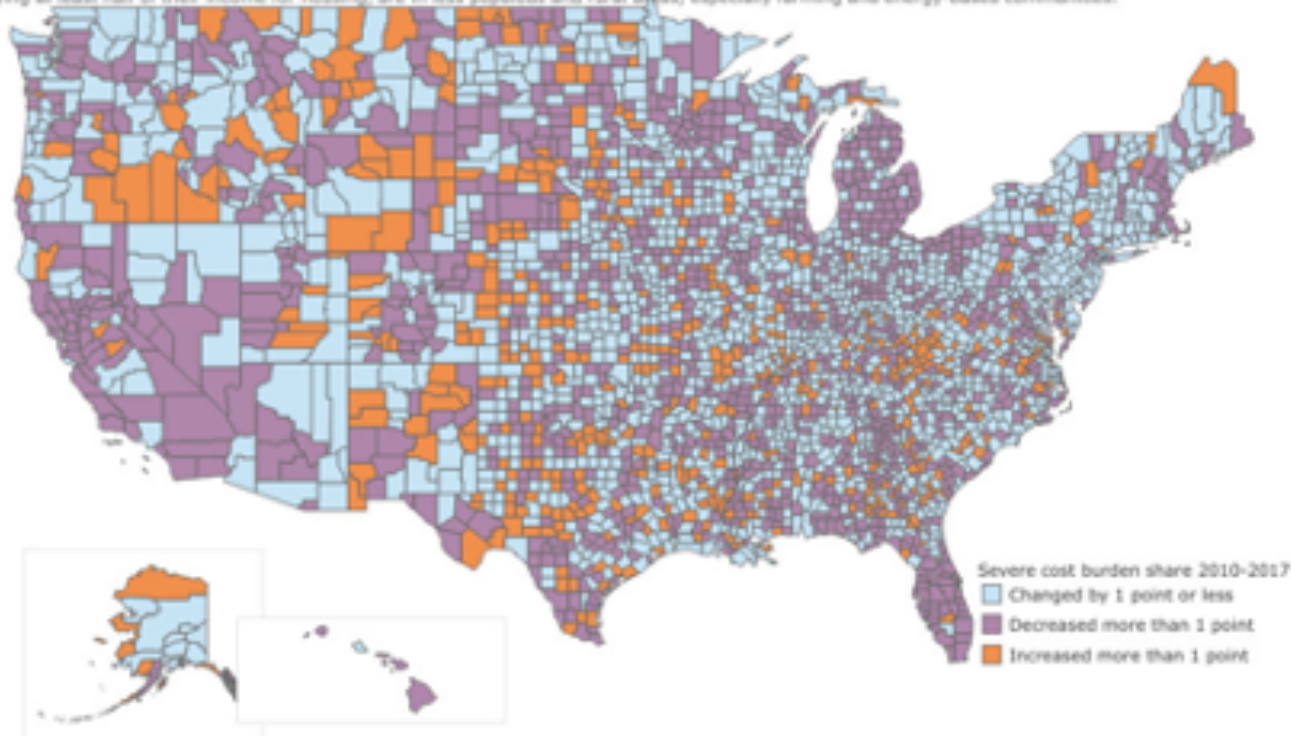
The development of decent, affordable rural housing not only provides the safety and stability of the human desire for shelter but provides a substantial economic boost for rural communities in particular. Building or renovating homes requires the services of a diverse group of persons and the products of many different industries that includes the construction, real estate, legal, transportation and trade industries. Studies have found that developing 100 rural single-family housing units will create 253 jobs with over \$7.3 M in local wages and salaries and over \$2.6 M in local business owner's income and local taxes of \$854,000.⁶⁵ While the economic benefits of rural housing are clear, it is troubling the challenge rural communities are having to gain rural housing investments. A recent study indicated that the average construction of housing in rural areas fell by an astonishing 70 percent, from 220,000 units per year between 2001 and 2007 to just 66,000 per year from 2008 to 2017.⁶⁶



Adding insult to injury, many rural communities while lacking an adequate supply of quality housing are also struggling with increasing housing costs. It has been reported that nearly a quarter of the nation's most rural counties have seen a "sizable increase" in the percentage of residents spending more than half their income on housing, a scenario the federal government calls "severely cost-burdened."⁶⁷ This same report noted there were 6.6 million rural rental units in the country in 2016 with 81.7 percent of those units cost less than \$1,000 a month.⁶⁸ However, the low incomes in these regions result in roughly 47 percent of rural renters, or 2.6 million Americans, were "cost-burdened," meaning they pay a third or more of their income in rent, and the percentage of urban renters facing similar challenges, 51.1, is only slightly higher.⁶⁹ The extent of the housing challenge is outlined in the table below.

Affordability Crisis Spreads to Rural America

Housing affordability problems are spreading from big cities to rural areas. Areas with the largest recent increases in severely cost-burdened households, those paying at least half of their income for housing, are in less populous and rural areas, especially farming and energy-based communities.



Source: American Community Survey five-year average data for 2006-2010 and 2013-2017, Stateline analysis

Source: Stateline analysis of American Community Survey information

Also, cost burdened rural renters have less ready access to other important support services that may reduce the impact of being housing cost burdened, such as close proximity to food pantries that can help low-income individuals access more or healthier food than they are able to afford.⁷⁰ Rural areas are more remote and less densely populated so the cost burdened rural renters also struggle with transportation issues ranging from a lack of public transportation and longer distances for vehicle commutes.⁷¹ The U.S. Department of Housing and Urban Development's Location Affordability Index indicates that, on average, transportation costs consume 28.4 percent of household income for moderate-income renter families in nonmetro areas versus 20.2 percent for that same group in metro areas.⁷² While the Location Affordability Index also indicates that moderate-income renter families in nonmetro areas spend a lower share of their income on housing than their metro peers (26.8 percent versus 30.7 percent versus respectively), but it also indicates that nonmetro moderate-income renter families spend a greater share of their income on combined housing and transportation costs than their metro peers (55.1 percent versus 50.9 percent, respectively).⁷³



A 2012 affordable housing study of the Athens, Ohio illustrated this region has the same challenges as other rural communities related to housing.⁷⁴ The study found Athens County has the highest rate of renter households in the 32-County Appalachian Ohio Region with the rent disparity between student and non-student housing ranges from \$86 to \$895 per month, depending upon bedroom type.⁷⁵ This disparity, and increasing demand for student housing, is pushing rents up and out of reach to low-income households.⁷⁶ Just under 40% of tenant-based vouchers are in use outside of Athens City, Nelsonville City, and The Plains, away from public transit and other services and there is support in Athens City for an additional 192 non-student rental housing units between 2012 and 2017.⁷⁷ Most of this support (101 units, or 53%) comes from very low- to extremely low-income households with an estimated 20% of very low- to extremely low-income households (20) in need of housing in the city of Athens will likely require some type of supportive services.⁷⁸ The share of rent overburdened households within Athens County is substantially higher at 55.1% than that of Ohio's 32-county Appalachian region (38.5%) as well as the statewide rate (40.0%).⁷⁹

22 states have operated some form of rural-specific housing programs.⁸⁰ These programs include approaches such as providing money for individuals and developers to home buying counseling, grants for communities to conduct market surveys or formation of not-for-profit housing corporations or infrastructure funding tied to new housing development.⁸¹

Several cities have also undertaken market rate housing strategies. Springfield and Holyoke, Massachusetts, Baltimore, Maryland, and Sheboygan, Wisconsin, have increased the number of market rate housing units connected to Downtown revitalization projects through the use of tax credits, tax exemptions, and tax increment financing districts.⁸² Kent, Ohio, accomplished a similar project, revitalizing their downtown through a public-private partnership that included commercial space, entertainment, improved transportation and new market rate housing with private developer Fairmount Properties.⁸³ Mount Pleasant, Iowa, is promoting the construction of moderate-income affordable housing by loaning funds to developers at a low interest rate as part of the Iowa Housing Loan Program.⁸⁴

Input from business and university leaders have made it clear that there is a need for market rate housing in Athens County. Developing market rate housing needs to be created through a series of economic development incentives, matched with parking developing in Downtown Athens as well as developing large scale sites for higher end residential development.

In order to provide more housing and a variety of housing options in Athens County, ACEDC should lead the following efforts.

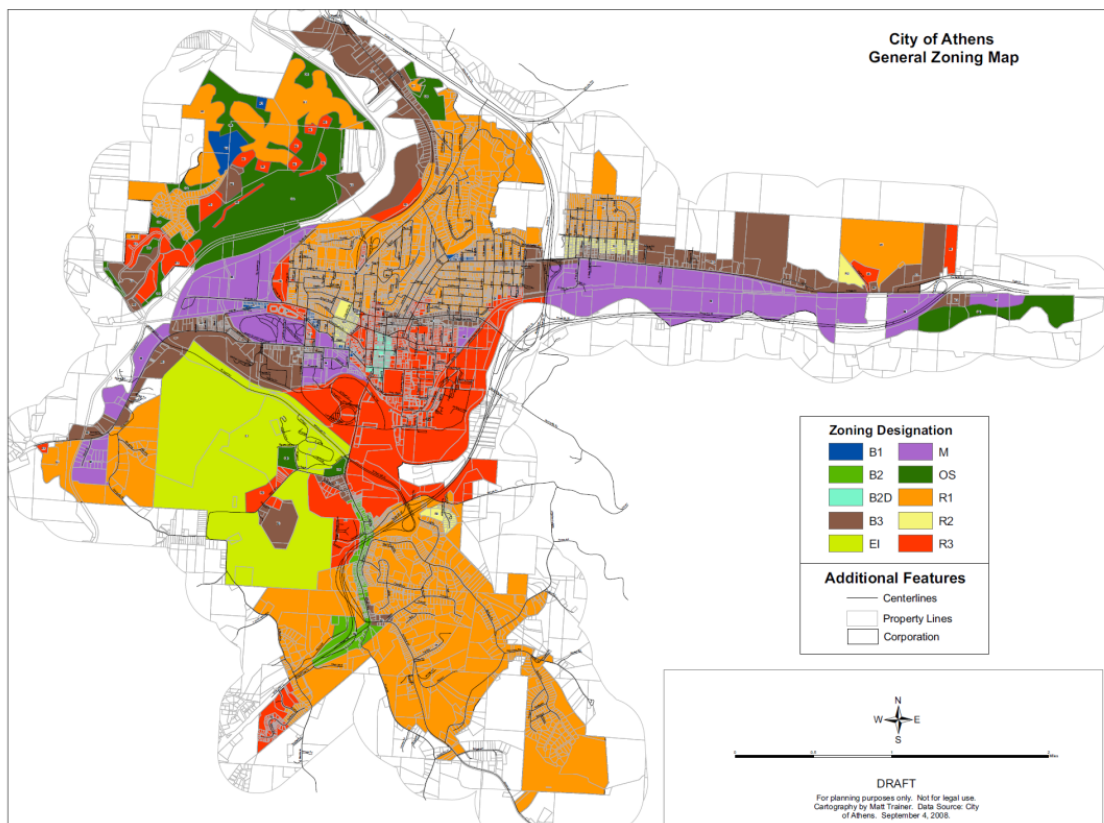
1. Engage in Public-Private Partnerships to Develop Housing at the Ridges. Ohio University has developed a strategic plan for the Ridges that calls for the development of single-family housing as well as mixed-use development and multi-family housing. In order to assist OU in these efforts, ACEDC should engage in a public-private partnership that provides economic development incentives to OU and its private-sector development partners that include the following programs.

- a. Downtown Redevelopment District (DRD). Ohio's DRD program provides a tax exemption of new real estate property taxes to be redirected to the development of historic properties and historic districts. The DRD allows for seventy-percent (70%) of new property taxes in a ten (10) acre area over a ten (10) to thirty (30) year period to be redirected to infrastructure development, rehabilitation of historic and non-historic properties in the DRD, and funding of not-for-profit economic development organizations. This tool can OU and its development partner to fund infrastructure improvement and building rehabilitation upfront and pay for those improvements over the life of the DRD.



- b. **Transformational Mixed-Use Development (TMUD) Program.** The Ohio legislature recently passed Senate Bill 39 creating the TMUD Program. TMUD allows for a nonrefundable credit of 10% of the development costs or 10% of an insurance companies capital contribution and permits unclaimed credit amounts to be carried forward for up-to five years. A nonrefundable tax credit, compared to a refundable tax credit, can only be exercised by organization that pay taxes to the state of Ohio. The bill allows insurance companies to apply directly for the credit or to purchase the right to claim the credit from a property owner. TMUD creates an important tool for entities like OU and its development partners to access capital to make their projects a reality. Athens qualifies for the rural portion of the program that provides a TMUD tax credit for projects not within a major city (100,000 or more in population) that have at least one new or previously vacant building that is two or more stories in height; or is at least 75,000 sq. ft. Senate Bill 39 sets aside a cap of up-to \$100 million per fiscal year, with no more than \$40 million going to a single project and divides the overall \$100 million between large city and small city projects, \$80 million for large cities and \$20 million for small cities. TMUD awards will be highly competitive as there are limited dollars, and they must seek approval from the Ohio Development Services Agency and the Ohio Tax Credit Authority.
- c. **JobsOhio Vibrancy Program.** In the fall of 2020 JobsOhio announced its Vibrant Communities Program to allow for up to \$2,000,000 in grants to transformational projects within a distressed community. Projects within the City of Athens qualify for the program. The project is focused on mixed-use projects but those projects with the highest prospect for job creation will receive funding priority. The first round of the program is currently in process. It is not clear if there will be another round of funding, but if the program achieves success and if there is money available at JobsOhio for future rounds, OU and its development partners should pursue funding through this program for the Ridges.

2. Downtown Mixed-Use Zoning. The City of Athens Zoning Code contains several designated districts permitting residential, office, industrial, educational, open space and other zoning categories. Downtown Athens is zoned B-2 which permits many uses. The City of Athens zoning code will need to be reviewed to determine that is maximizes the opportunities for mixed use development projects.



3. Down-payment/Rental Subsidy. ACEDC should advocate for major businesses, Ohio University, and Hocking Technical College to provide a housing Down-payment or rental subsidy if the workers will live in Athens County in market rate housing. This private subsidy can stir demand for market rate housing in the community and serve as another attraction tool for marketing rate housing developers.

4. Downtown Athens Residential Property Tax Abatement. Modeled after successful Downtown redevelopment strategies in other cities like Columbus, the City of Athens, Ohio should adopt a Downtown Athens residential property tax abatement through a Community Reinvestment Area program. A 100%, 15-year full property tax abatement should be adopted for market rate student housing targeting units with an above average rental rate. Athens has no shortage of low-quality housing and should focus their economic development incentives on high-quality housing to serve as an attraction for successful developers and the advanced service workers the region desperately needs.

5. Downtown Parking. In areas where the Downtown Athens tax abatement is not placed but adjacent to these areas, the City of Athens should create a Tax Increment Financing (TIF) district to capture future property tax revenues for use to develop targeted parking facilities connect to potential residential development projects. Access to these targeted parking facilities should be offered to new residential developments at no or a reduced cost as an added incentive to spur high-quality, Downtown Athens residential development.

ACEDC Economic Development Plan Tactic #7 – ACEDC and its partners should establish the Bobcat Opportunity Fund Organization focused on the development of the three Athens County opportunity zone sites. ACEDC can partner with Ohio University's Voinovich School and its US Economic Development Administration Assistance to Coal Communities funding for Opportunity Zone Funds.

Federal Opportunity Zones are an economic development tool designed to spur investment and job creation in distressed communities by offering capital gains tax deferral for investments made in a qualified Opportunity Zone. Qualified Opportunity Funds are established as an investment vehicle specifically for the purposes of investing in a qualified Opportunity Zone. Athens County has four designated Opportunity Zones that would be attractive to investors and developers looking to undertake projects in the county. The ACEDC should develop an Opportunity Zone Fund and Prospectus to market the county's four Opportunity Zones to investors and developers to promote economic development and community development priorities.

Opportunity Zone Funds are another important source of funding for rural communities to consider. 8700 census tracts across the United States have been designated as Federal Opportunity Zones and 2019 will be the year Opportunity Zone Funds are created and the "low hanging fruit" for this new program are picked. While Opportunity Zones are very young, four tactics will drive them to be a source of economic development growth in 2019. The federal tax reform created the new "Qualified Opportunity Zone" program. The Qualified Opportunity Zone program is designed to encourage investment in businesses that are in low-income communities by permitting a taxpayer who recognizes gain on the sale of property to gain certain tax benefits. Federal Opportunity Zones offer three tax incentives to investors: a temporary tax deferral for capital gains reinvested in an Opportunity Fund– the deferred gain is recognized on the earlier of the date on which the opportunity zone investment is sold or December 31, 2026; a step-up in basis for capital gains reinvested in an Opportunity Fund– the basis of the original investment is increased by 10% if the investment in the qualified opportunity zone fund is held by the taxpayer for at least 5 years, and by an additional 5% if held for at least 7 years, excluding up to 15% of the original gain from taxation; and a permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in a qualified opportunity zone fund, if the investment is held for at least 10 years.

The US Treasury Department will certify who is a "Qualified Opportunity Fund" but the tax reform law defines this as a partnership or corporation formed for the purpose of making investments in businesses located in low-income communities designated as "Qualified Opportunity Zones." To gain the program benefits, an investor must invest proceeds from a sale or exchange of assets to an unrelated party into a Qualified Opportunity Fund within 180 days from the date of such sale or exchange. This investor may choose to reinvest only a portion of the proceeds from the original sale or exchange, in which case only a portion of the gain would be deferred. A Qualified Opportunity Fund is required to invest at least 90% of its assets in targeted businesses where substantially all of the tangible assets of each such business are used in a Qualified Opportunity Zone, and at least 50% of the gross income earned from each such business is from the active conduct of business in a Qualified Opportunity Zone. Opportunity Funds provide investors the chance to put that money to work rebuilding the low-income communities.



Opportunity Zone Process

Opportunity Zone	Opportunity Fund	Taxpayer	Opportunity Fund	Opportunity Fund Business	Taxpayer
<ul style="list-style-type: none"> • Site Certified by US Treasury as an Opportunity Zone • Site Development Plan • Site Prospectus 	<ul style="list-style-type: none"> • Organized as a corporation or partnership for an eligible Opportunity Zone • Certified by US Treasury as a Qualified Opportunity Fund • Invests 90% of its investments in Opportunity Fund Property/ Business 	<ul style="list-style-type: none"> • Person recognizes gains from individuals, C or S corporations, mutual funds, real estate investments, partnerships, trusts & estates from an unrelated Person • Realizes \$1 M capital gain and immediately invests capital gain in Apollo Opportunity Fund 	<ul style="list-style-type: none"> • Immediately invests in Opportunity Zone Business/ Property Rex Tile, Inc. 	<ul style="list-style-type: none"> • Designates investment for land acquisition, construction of a building & expenses necessary for the project • 50% of gross income from OZ 	<ul style="list-style-type: none"> • Retains investment for 10 years • Defers capital gains from original investment • Permanent exclusion of capital gains from Opportunity Zone project

The White House Council of Economic Advisors found that the OZ tax cuts have spurred a large investment response.⁸⁵ The report estimates that Qualified Opportunity Funds raised \$75 billion in private capital by the end of 2019, most of which would not have entered OZs without this incentive.⁸⁶ This new capital represents 21 % of total annual investment in OZs and helps explain why the CEA also finds that private equity investment in OZ businesses grew 29 % relative to eligible communities that were not selected as OZs and thus act as a control group.⁸⁷

Rural communities account for nearly half of all the Qualified Opportunity Zones and the accounting firm Novogradac reported that Opportunity Zone Funds have reported raising \$12 B in assets among 811 Qualified Opportunity Zone Funds that have voluntarily reported to Novogradac.⁸⁸ There are 148 funded QOFs that focus solely on residential development and they have raised \$2.74 billion.⁸⁹ The 287 QOFs that have at least a partial focus on residential development have raised \$9.09 billion, which is 75.4 % of the total. As compared to the Novogradac April Qualified Opportunity Fund list, equity raised with at least a partial focus on residential development increased 23 %.⁹⁰ Meanwhile, funds that have at least a partial focus on commercial development have raised \$6.98 billion, 57.9 % of the overall total--due to the number of QOFs that have multiple areas of focus, the %ages add up to more than 100 %.⁹¹ As compared to the April list, equity raised with at least a partial focus on commercial development increased 14 %, and QOFs with at least a partial focus on operating businesses have raised \$444.2 million, which is 3.7 % of the overall total.⁹² QOFs focused at least partially on hospitality have raised \$1.82 billion (15.1 % of the total) and those focused at least partially on renewable energy have raised \$320.4 million (2.7 % of the total), and, as compared to the April list, equity raised with at least a partial focus on operating businesses increased 25%.⁹³ QOFs can focus on a national, regional, state or city investment areas.⁹⁴ Those with a national focus make up 23.4 % of the funds that have disclosed their focus, and those with a single- or multiple-city focus make up 29.0 % and 26.7 % of all QOFs.⁹⁵ The single- and multiple-city QOFs have combined to raise roughly half of the overall equity (single-city QOFs have raised \$3.10 billion; multiple-city QOFs have raised \$2.85 billion), and, in April, single- and multi-city QOFs had raised 41.9 % of overall equity.⁹⁶

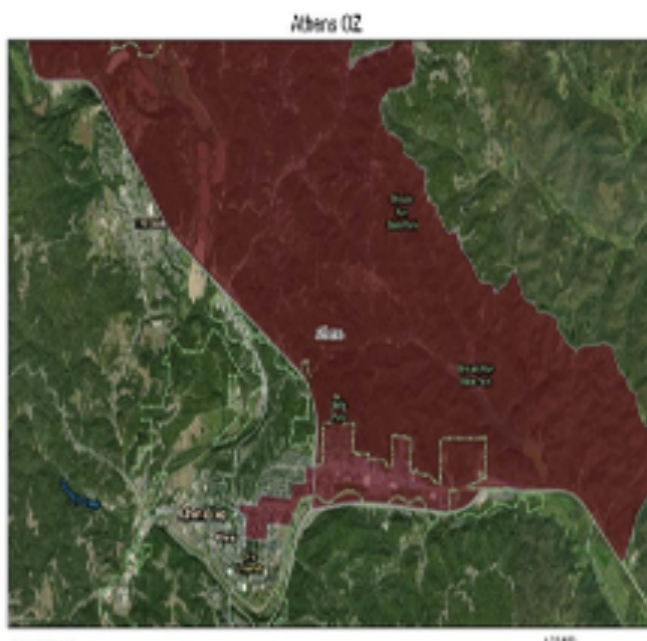


Numerous Opportunity Zone Funds have been created to serve rural communities.

- **Four Points Opportunity Zone Fund.** Armed with \$20 million, Four Points is investing in rural communities across Colorado.⁹⁷ The fund has invested in more than 300 distressed properties in the state and seeding capital to startups across western Colorado.⁹⁸ Aside from forging a new path in startup and rural OZ investing across the Western Slope region, Four Points' founders are focused on backing female and minority-owned businesses.⁹⁹
- **Opportunity Alabama Opportunity Zone Fund.** Opportunity Alabama connects OZ communities, investors, entrepreneurs, plus larger institutions like banks, universities, and development organizations.¹⁰⁰ Founded by Alex Flachsbart, the organization is building programs that educate communities on OZ policy and measure the social impact of projects across Alabama's 158 OZ communities.¹⁰¹ Opportunity Alabama has also launched an OZ Fund to invest in projects statewide.¹⁰²
- **Center on Rural Innovation.** The Center for Rural Innovation (CORI) created a qualified opportunity zone fund called the CORI Innovation Fund to invest in growth businesses across rural America.¹⁰³ The fund will seek out attractive operating businesses that are under-served by traditional venture capital institutions and have the potential to drive economic and job growth in small towns.¹⁰⁴ The CORI Innovation Fund launch is funded in part by a matching grant from the U.S. Economic Development Administration and will focus on promising technology businesses located in or willing to relocate to qualified opportunity zones (QOZs).¹⁰⁵ While the fund will consider opportunities in any QOZ, the initial focus will be on businesses in the communities selected to be part of the Rural Innovation Initiative (RII), which launched this year to build technology startup ecosystems in small communities.¹⁰⁶

States also support Opportunity Zone investments. Ohio has 320 designated opportunity zones, including 317 low-income communities, plus 3 non-low-income contiguous tracts.¹⁰⁷ A large majority (82 %) of Ohio's opportunity zones are located in urban areas of the state, similar to the statewide urban %age (81 %).¹⁰⁸ Large swaths of inner-city Cleveland and much of Columbus and Cincinnati lie in opportunity zones.¹⁰⁹ The state of Ohio created the state Opportunity Zone Investment Credit and the Ohio Qualified Opportunity Fund. The Ohio opportunity zone investment credit is a non-refundable credit that allows a taxpayer to invest capital gains in a qualified opportunity fund. The credit shall equal 10 % of the taxpayer's investment in a qualified opportunity fund in the taxable year of the investment. The Ohio Development Services Agency Director cannot issue more than \$50 million in Ohio Opportunity Zone Tax Credits over the biennium. This serves as a cap on how many credits can be issued, cannot issue credits to a single applicant that would exceed \$1 million over the biennium, and a credit cannot be issued for a project that also has been issued a small business investment certificate or InvestOhio.

Athens is fortunate to have three certified opportunity zone sites as pictured below that includes both urban and rural sites.



ACEDC should develop in partnership with Ohio University and area business leaders the Bobcat Opportunity Fund to promote with Ohio University alumni, area business leaders and investors seeking capital gains tax relief.

1. **Bobcat Opportunity Fund Organization.** The Bobcat Opportunity Fund should be organized as an Ohio limited liability company focused on the development of the three Athens County opportunity zone sites.
2. **Bobcat Opportunity Fund Advisory Board.** The Bobcat Opportunity Fund needs to recruit form an advisory board who will shape the overall policy and operational approach for the fund.
3. **Bobcat Opportunity Fund Investment Policy.** The Bobcat Opportunity Zone Fund needs to create an investment policy to outline the policies, procedures and investment guidelines that addresses project eligibility requirements, standards for business and credit analysis related to investments, models for potential types of financing,
4. **Bobcat Opportunity Fund Investors.** The Bobcat Opportunity Fund needs to market the fund to potential investors through a range tactics including paid, social and earned media, development of an Opportunity Zone site prospectus, participation in Ohio University alumni events, and API business leader briefings.
5. **Bobcat Opportunity Fund Investments.** The Bobcat Opportunity Fund needs to seek out investment opportunities through recruitment of developers eligible for opportunity zone investments for the three opportunity zone sites in Athens County.
6. **Bobcat Opportunity Fund Operation.** The Bobcat Opportunity Fund must operate the fund on a daily basis, coordinate organizational and Board of Advisor meetings, market the fund, review potential financial investments and make investment recommendations to the Board of Advisors, provide a credit review of potential investments, ensure the sites and fund operates within the parameters of the federal government regulations but also operates successfully as an organization that creates high-wage jobs and capital investment in the region through gaining of other local, state and federal government resources for infrastructure and other funding that will support the growth and development of the sites in question.

Next Steps. Montrose Group recommends several next steps for several groups to implement this economic development strategic plan. The action steps above need to have different groups take the lead in implementing.

Athens County Economic Development Council
<ul style="list-style-type: none"> • Focus on industrial site development • Advocate for local, state and federal government funding <ul style="list-style-type: none"> Athens Tax Incentives JobsOhio Vibrant Community Program Community Development Block Grant Program Economic Development Administration Programs • Quarterly status reports on plan implementatin efforts
City of Athens, Ohio
<ul style="list-style-type: none"> • CURC creation and operation • Market rate residential housing intiiative
Athens STEM
<ul style="list-style-type: none"> • Creation and operation of Athens STEM and industry based training program
AFI
<ul style="list-style-type: none"> • Creation and operation of Appalachian Forward Initiative
Athens County
<ul style="list-style-type: none"> • Participation in regional broadband partnership
Ohio University
<ul style="list-style-type: none"> • Bobcat Opportunity Fund creation and operation

The ACEDC has an opportunity to build a new revenue model as the grant administrator and they should consider engaging a consultant to maximize the total of state and federal grants they can gain.



ENDNOTES

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