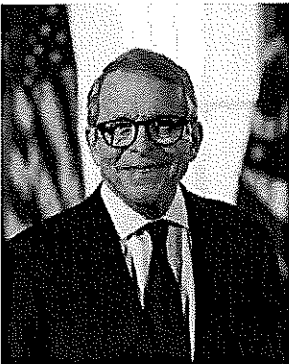




MIKE DEWINE
GOVERNOR
STATE OF OHIO

January 24, 2020



Dear Mr. Howard:

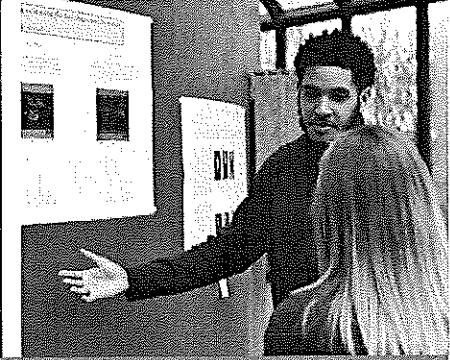
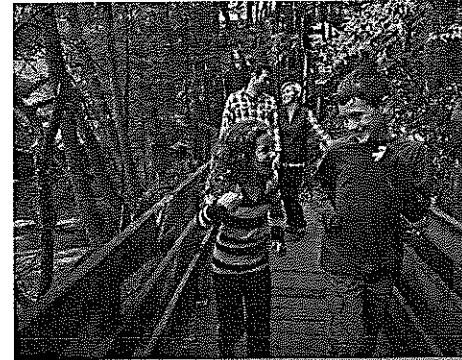
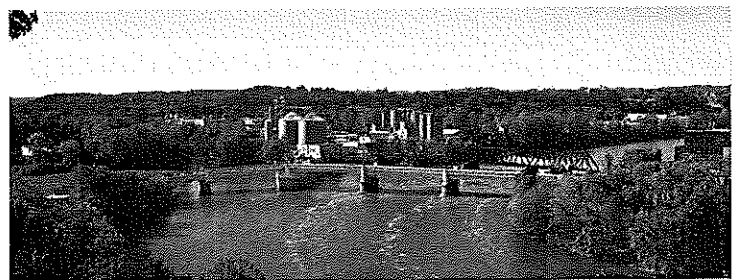
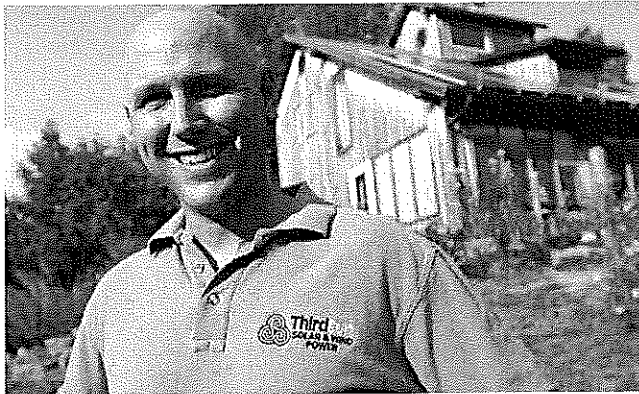
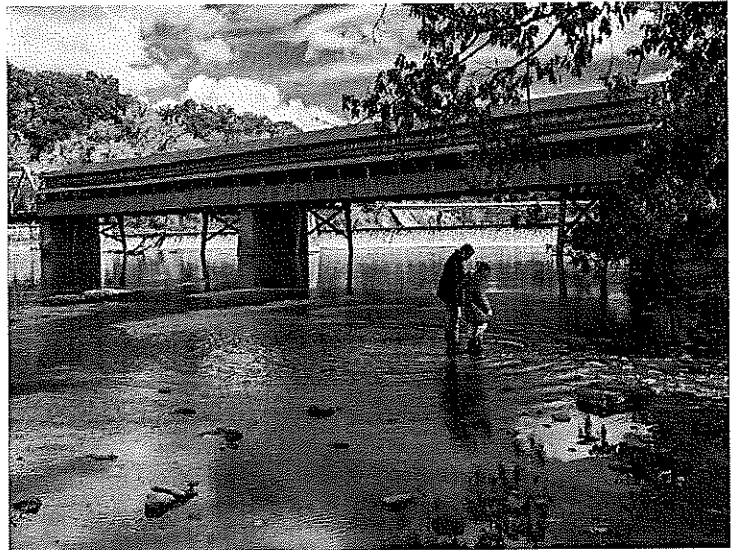
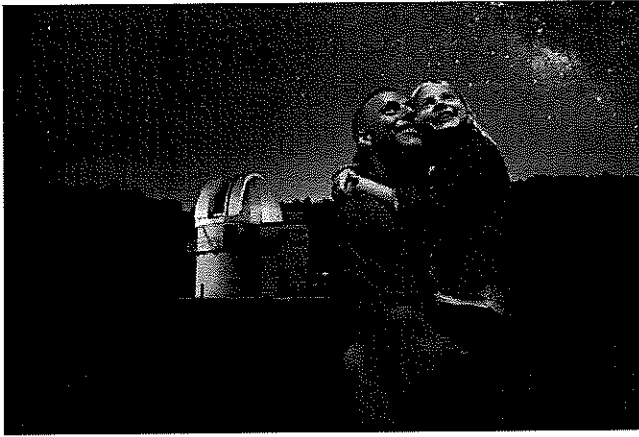
Attached is Ohio's 2020 Appalachian Regional Commission Annual Strategy Statement. An outline of Ohio's goals and priorities for the program year are included in this document. Ohio's 2020 Strategy Statement is consistent with Section 5 of the ARC Code.

This document explains what Ohio's areas of focus for 2020 are in accordance with ARC's strategic plan. Should you have any questions, please contact my state alternate, Director John Carey, at (614) 728-3182, or Julia Hinten, Ohio's ARC Program Manager, at (614) 728-4878.

Sincerely,

Mike DeWine
Governor

Enclosure



OHIO APPALACHIAN REGIONAL COMMISSION 2020 ANNUAL STRATEGY STATEMENT

Ohio

**Development
Services Agency**

**Mike DeWine, Governor
Jon Husted, Lt. Governor**

Lydia L. Mihalik, Director

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Introduction

The State of Ohio submits this Annual Strategy Statement in compliance with Chapter 5 of the Appalachian Regional Development Commission (ARC) Code.

Ohio's 2020 Annual Strategy Statement describes the Governor's goals, objectives, and priorities for Ohio's 32 Appalachian counties and serves as a guidance document for the Governor's Office of Appalachia (GOA) and Ohio's four Local Development Districts (LDDs). The priorities presented are designed to address Appalachian Ohio's unique needs and to improve the region's community, educational, and economic prosperity by focusing ARC and State of Ohio funds.

Specifically, the 2020 Strategy Statement:

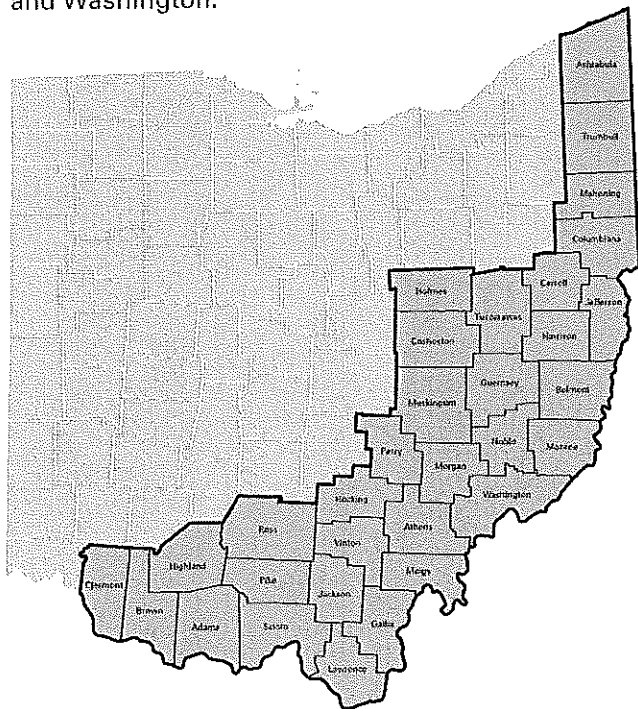
1. Discusses the economic challenges and opportunities, as well as new developments and resources that impact Ohio's Appalachian counties
2. Provides an overview of targeted investment priorities for the program year
3. Identifies specific strategies for the state's distressed counties and areas
4. Outlines Ohio's ARC program operating policies
5. Describes the methods used to solicit, review, and select projects

Governor Mike DeWine serves as Ohio's Commission member. The Governor's Office of Appalachia administers project funds in Ohio. John Carey serves as the Director for GOA and Julia Hinten is the ARC program manager. This Annual Strategy Statement includes input from the Director and staff, the four LDDs, the Governor's office, the Ohio Development Services Agency (Development) and stakeholders from Appalachian Ohio.

Overview and Assessment of Ohio's Appalachian Region

Ohio's Appalachian Region

Ohio's Appalachian region covers more than 39 percent of the state, following the eastern and southern borders. Ohio's 32 contiguous Appalachian counties are: Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Clermont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Mahoning, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Trumbull, Tuscarawas, Vinton, and Washington.



The region is more sparsely populated with about 125 persons per square mile compared with 388 in the rest of the state (2017 American Community Survey). The Ohio Appalachian counties include medium- and large-sized cities, small villages, unincorporated communities, farmland, and rural and industrial areas.

Historically characterized as economically depressed and geographically isolated, the Appalachian region has been home to a self-reliant and independent people with strong ties to the land and their families. The Office of Research of the Ohio Development Services Agency produced an **Appalachian Regional Profile** which includes data and projections to better define and understand the region's geography, economic conditions, health and demographics.

Economic Challenges & Opportunities

Challenges

Throughout its history, Appalachian Ohio has experienced significant economic hardship. Currently, of Ohio's 88 counties, the 11 most impoverished are all in Appalachia ([County Profiles](#)). Ohio's Appalachian region faces numerous other challenges including:

- Access to clean drinking water
- Access to health care and mental health resources
- Aging population
- Deteriorating infrastructure
- Lack of broadband access
- Substance use disorder and addiction related issues
- Gaps in workforce and available jobs

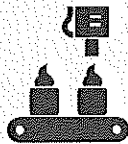
Opportunities

Despite these challenges, Ohio is also home to valuable resources and unique opportunities. The food processing, timber, and shale and petrochemical industries are all a major part of the Ohio Appalachian economy.

ECONOMIC IMPACT OF FOOD PRODUCTION IN OHIO'S APPALACHIAN REGION



MORE THAN 120
food processing companies
have operations in the region.



ROUGHLY 10%
of the region's manufacturing
is in food services.



Food processing alone
employs more than
6,800
WORKERS
in Ohio's Appalachian counties.

With 56 percent of the Appalachian Ohio covered in forest, timber is still a key part of the economy. The forest and wood industries employ more than 26,000 people. The shale industry has had a significant impact on the region over the past decade. The proximity to end-use markets allows for low-cost transportation to nearly half of the U.S. population located within 600 miles.

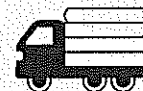
ECONOMIC IMPACT OF THE TIMBER INDUSTRY IN OHIO'S APPALACHIAN REGION



The forest and wood industries
contribute
\$5.23
BILLION
and employ more than
26,000
PEOPLE.



The wood industries of Holmes,
Ross, Vinton, Coshocton and Pike
counties had the highest per capita
contribution to Ohio's economy.

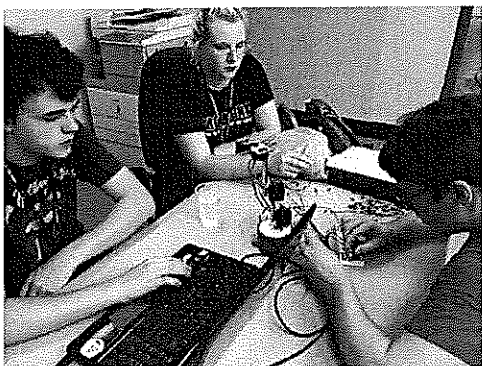


Commercial logging generated
\$371
MILLION
DOLLARS
in Appalachia.

Governor DeWine has directed his cabinet to work in cooperation with GOA. GOA has developed a number of valuable partnerships aimed at solving important problems and capitalizing on emerging opportunities. These partnerships include other offices in Development, state agencies, local officials, and economic development groups just to name a few. Through these relationships, GOA will pool resources and knowledge to help improve opportunities in the region. Currently, GOA is working with over a dozen state agencies on various projects.

Some of Appalachian Ohio's greatest strengths are its natural and cultural assets. The region encompasses more than 73 percent of Ohio's state parks, forests, preserves, waterways, and wildlife areas totaling 562,468 acres (**Ohio County Profiles**). Tourism presents a multitude of opportunities for the 32 counties. Three anchors in the region include Lake Erie in Ashtabula County, Hocking Hills State Park and surrounding areas, and Amish Country in Holmes County.

Appalachia Ohio is ripe for entrepreneurship. GOA is part of several projects fostering entrepreneurship. One example is the Leveraging Innovation Gateways and Hubs Toward Sustainability (LIGHTS) projects. Recently, Shawnee State University in Portsmouth was awarded POWER funding for the LIGHTS Inclusive project to expand on previous success of LIGHTS POWER funding but with a focus on including substance use recovery support as a part of their entrepreneurial training program. The project will combine proven methods of helping those suffering from addiction with entrepreneurial expertise and makerspaces in its Innovation Gateways.



STEM Camp

In July 2019, GOA piloted a STEM camp in partnership with Buckeye Hills and Building Bridges to Careers at Marietta College. The weeklong camp offered students from across the region the opportunity to explore CAD/CAM software, electronic/programming, 3D printing, CNC laser cutting, and using industrial manufacturing equipment. The camp exposed students to unique opportunities and experiences to which they would otherwise not have had access.

State Policies and Processes

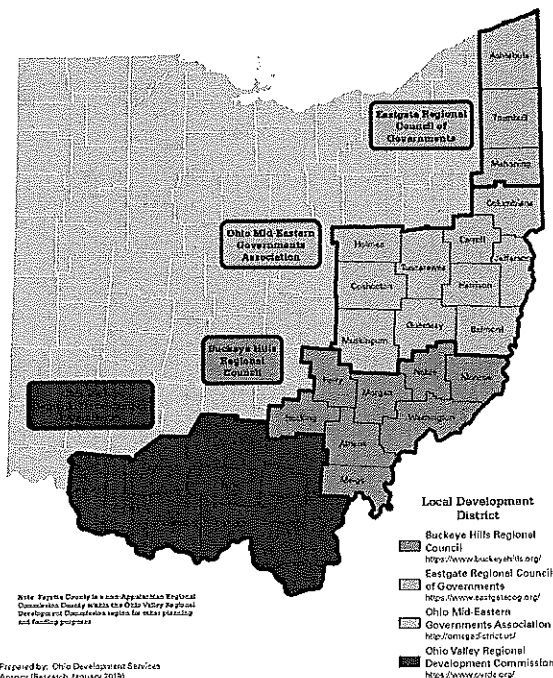
The Governor's Office of Appalachia (GOA) is responsible for preparing the area development projects through coordinated efforts with the LDDs and their members, nonprofit organizations, local communities, and JobsOhio and their regional partner organizations. GOA ensures the 32-county Appalachian region has access to all available state programs and administers ARC funds. Ohio is the only state in the 13-state federal Appalachian region to match ARC funding with state funding.

Local Development Districts (LDDs)

The role of LDDs is to coordinate project development at the local and county levels, then advance the projects to the state GOA office. Ohio's four LDDs are Buckeye Hills Regional Council (Buckeye Hills), Eastgate Regional Council of Governments (Eastgate), Ohio Mid-Eastern Governments Association (OMEGA), and Ohio Valley Regional Development Council (OVRDC). *A map in Appendix D outlines the LDD regions.*

The LDDs prioritize their local communities' concerns and work with board members and other local citizens to develop economic development plans. They focus on their most pressing needs and build community unity and leadership. Using a "bottom-up" approach, local communities and the LDDs prioritize projects through a scoring process. The scoring criteria includes provisions to focus additional support, funding, and resources for counties designated as "distressed" by ARC.

The LDDs take the lead role in identifying the unique strengths, barriers, opportunities, and threats to their member-counties.



The LDDs work with their governing boards, members, and citizen advisory groups to evaluate and prioritize the economic needs in their respective regions and identify solutions organized around ARC's five goals.

Ohio's Investment Priorities for 2020

Promoting Mental Wellness and Recovery

Governor DeWine is leading Ohio's fight against substance use disorder and the addiction crisis. Through the RecoveryOhio initiative, the state coordinates resources to help address drug related issues. The RecoveryOhio plan features eight recommendations for the state to focus:

1. Stigma and Education
2. Parity
3. Workforce Development
4. Prevention
5. Harm Reduction
6. Treatment and Recovery Supports
7. Specialty Populations
8. Data Measurement and System Linkage

In addition to RecoveryOhio, the state is focusing on recovery to work solutions with local communities to better assist those affected by the epidemic. The Governor's Office of Appalachia has partnered with Ohio Mental Health and Addiction Services and has held multiple regional listening sessions. GOA will continue to serve as a liaison between local communities and state government to address substance abuse issues. GOA is also serving on RecoveryOhio's State Collaboration Recovery Supports Team. The Team will provide recommendations on the following areas:

- A housing plan
- Recovery friendly communities and workplaces
- Focusing on employment
- Engaging the faith community
- Reducing transportation barriers
- Greater mental health advocacy
- Strategies for human trafficking survivors
- Support for families

Another related topic of focus in the Appalachian region is mental health. Suicide rates in Appalachian Ohio are 26 percent higher than the rest of the state, and 19 percent higher than the national rate according to ARC's "Creating a Culture of Health in Appalachia." Additionally, the region has 51 percent less mental health providers than the national average. The DeWine administration is committed to increasing the number of mental health resources in Ohio, especially for children. Ensuring that every child has access to a mental health professional at school is one of Ohio's biggest priorities in this domain.

Broadband

In today's economy, broadband has become a necessity rather than a luxury. This is especially true in Appalachia where even less people have access to a secure, reliable internet connection. Through InnovateOhio, Governor DeWine selected Lt. Governor Jon Husted to "bring higher-quality services to the public to ensure Ohio is a better place to live, work, and do business." (**Innovate Ohio Platform**). A primary focus of this administration is to expand broadband infrastructure and make Ohio a front runner in mobile-edge technologies. GOA is encouraging projects focused on increasing access to broadband.

- GOA is partnering with electric co-operatives to provide regional broadband using ARC, U.S. Department of Agriculture Reconnect and utility funding.
- Connect Ohio will deliver broadband data collection, validation, mapping and analysis to prioritize precise areas where broadband bailout is most needed. They will also conduct business and residential surveys, engage community stakeholders, and support local technology planning.

Tourism

Tourism plays an integral role in Appalachian economic development and quality of life. GOA is broadening an already successful TourismOhio approach to develop a more coherent strategy aimed to increase in- and out-of-state traffic throughout the region. GOA is also partnering with the Ohio Department of Natural Resources to increase the number of visitors to state parks and forests. The Ohio Appalachian region has a few tourism anchors, including Hocking Hills, Holmes County's Amish Country, and Lake Erie in Ashtabula County. GOA will use these as a starting point to expand marketing efforts and build new partnerships. New strategies include:

- Promoting the region's best assets by establishing a positive regional image featuring the people living within Appalachia and encouraging potential visitors to see the region's generous hospitality and appeal.
- The LDDs are helping to identify new potential places of interest to highlight.
- GOA will continue to provide the Economic Impact Report generated by Ohio's Appalachian Country with funding assistance. This organization uses data to drive policy discussion and investments in Appalachian tourism. The report assists counties in marketing tourism as an economic development focus.

Water

Lack of access to clean tap water is still an issue for many in Ohio's Appalachian counties. Governor DeWine created the H2Ohio Council and Fund to invest in targeted solutions to ensure safe and clean water. GOA has partnered with the Ohio Environmental Protection Agency (EPA) and other state agencies to identify the population of each Appalachian county without access to clean tap water.

In addition to these efforts, the Voinovich School and Rural Action have launched the Rain to River project as part of the Appalachian Ohio Clean Watershed Initiative. The project, funded through an Ohio EPA Environmental Education Fund Grant, focuses specifically on improving water quality and restoring watersheds in the Appalachian region through education, training, partnership building, resource sharing and project implementation.

Economic Development & Entrepreneurship

Historically, the region has been a major contributor to the nation's need for timber, charcoal and coal. The decline in coal and coal-related industry has been a hard-felt loss to Ohio's Appalachia region. GOA and the Appalachian Partnership for Economic Growth (APEG) are working together to focus on cluster development to offset this loss.

Fostering economic development and entrepreneurship will continue to be a focus for 2020. GOA and the LDDs are promoting the Governor's TechCred program to companies throughout the region. The TechCred program will help Ohioans learn new skills and help employers build a stronger workforce with the skills needed in a technology-infused economy. The office will hold a STEM camp in partnership with Buckeye Hills and Building Bridges to Careers. It is our goal to expand our reach and add additional partners that can help instill entrepreneurial mindsets in our young Appalachian population.

Distressed Counties

Ohio has four distressed counties in PY 2020. These counties include Adams, Athens, Meigs, and Monroe. While each county has its own unique problems, all four face similar challenges. Adams, Meigs, and Monroe counties all lack adult workforce training centers. GOA will work with other state agencies, the LDDs and other organizations in the region, and local officials to address specific needs in each of the distressed counties.

Following the closure of power plants in Adams County, the Ohio state legislature responded by including a job training program in the state budget. GOA will be working on training assessments for traditional students as well as adults. Funding will help Adams County and surrounding communities strengthen their workforce by offering retraining programs and preparing workers for fast growing careers in the modern economy.

Athens County, though one of the poorest counties in the state, is also full of opportunities. Athens has a strong tourism industry as it features parts of Wayne National Forest and is close to nearby Hocking Hills State Park. The Asset-based Entrepreneurship: Trails, Towns and Tourism in the Appalachian Ohio Economy project is a great example of the region's potential. Appalachian Ohio has a tremendous opportunity to diversify and restructure our economy with the construction of a world-class mountain biking trail system on the Wayne National Forest and improvements to the nation's longest loop hiking trail, the Buckeye Trail.

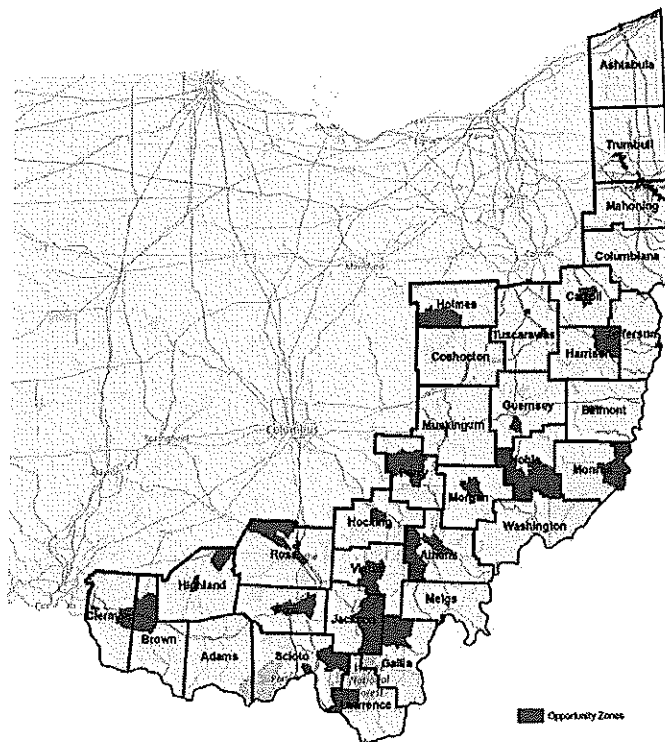
In recent years, Meigs County Industrial Park has developed and expanded. This year, another building will be added creating more jobs and helping further spur economic growth. The University of Rio Grande now has a center in Pomeroy to help expand access to education. Meigs County schools are considered a community asset. All three school districts offer a robust K12 education in modern learning facilities with low student-teacher ratios that help ensure every student receives a high-quality education.

In Monroe County, Switzerland of Ohio Local School District received an ARC grant for the Process Technology Training Program. With the technology upgrades, the Center will be able to customize training coursework, degree programs, and technology training that meet the needs of energy and chemical manufacturing industry sectors in the region. Monroe County is full of opportunities, and our partners will be working together to boost economic development and growth. Additionally, almost half the population in the United States is within 500 miles of Monroe County. The same radius contains about half of the country’s retail trade and market area, making geography a strength for the county.

Opportunity Zones

The Tax Cuts and Jobs Act of 2017 allowed states to identify up to 25 percent of low-income, high-poverty census tracts to the U.S. Treasury, which made the final determination of “Opportunity Zones”. These areas are eligible for “Opportunity Funds” to invest in economic development to receive a 10-year federal tax break. Ohio is committed to connecting potential investors with the opportunities presented by communities and development organizations in the zones.

Working with the U.S. Treasury, Ohio established 320 Opportunity Zones throughout the state. The selected areas typically showed potential for job creation and contained opportunities for investment and development. Nearly 20 percent (63 census tracts) of all statewide designated Opportunity Zones are located within 30 Ohio Appalachian counties. More information with regards to how the census tracts were designated along with program eligibility can be found on the [Ohio Opportunity Zones](#) website. The map below shows where the designated census tracts are located – Mahoning has the largest proportion of Opportunity Zones with 15 designated tracts. Governor DeWine recognized the potential economic impact a state component could have in bringing investment to Ohio. He created a 10 percent tax credit in his state budget to spur investment, which has made Ohio a leader in Opportunity Zones nationwide.



Prepared by the Office of Community Development,
Community Services Division,
Ohio Development Services Agency (August 2019)

State Policy Overview of Ohio's Appalachian Development Program

Program Overview

The Governor's Office of Appalachia coordinates with Ohio's four Local Development Districts (LDDs) to administer the following four programs: Appalachian Local Access Road, Regional Job Training, Area Development, and Distressed Counties. Funds for these programs come from either the Appalachian Regional Commission or the State of Ohio's General Revenue Fund (GRF).

Interested applicants work directly with their LDD to design and refine proposed projects. For most of the grant programs, applicants submit completed pre-application or application forms to their LDD and apply for funding. LDD staff and board members review, score, and rank applications to create a board-approved district funding package. The Local Development Districts submit the funding packages to the ARC Program Manager and the Governor's Office of Appalachia Director for review. Projects included in Ohio's investment packages support the goals and objectives of the ARC and the State of Ohio Four-Year Appalachian Development Plan and Annual Strategy Statements. GOA will review all projects for ARC eligibility, feasibility, match commitments and the outcomes and outputs align with ARC code and program guidelines.

All projects funded with federal ARC or state Appalachian development funds require a match based on the ARC-determined economic status of the county where the project will be located. Based on the county economic designation and total project cost, match is determined by the following requirements:

County Designation

Distressed – 80/20 percent

At-Risk – 70/30 percent

Transitional – 50/50 percent

Competitive – 30/70 percent

Attained – ARC and state Appalachian development funding is usually not available for projects located in ARC designated attainment counties

Ineligible Projects

Projects and activities that are ineligible for federal ARC funds or State Appalachian funds are:

- Projects related to local governments' general operations, including constructing city halls, courthouses, jails, and fire departments as well as salaries and operating costs related to these governmental functions
- Political activities of any kind, whether at the local, state, or national level
- Project activity in attainment counties
- Constructing schools
- Indirect costs

Project Timeline

Construction projects should be designed to be completed within a 24-month timeline and non-construction within a 12-month timeline. Projects requiring a longer period timeline will be considered on a case-by-case basis. The ARC Program Manager may withdraw the balance of funds if a project cannot be completed within the agreed upon project period. ARC reserves the right to withdraw grants for projects not under contract within 18 months of approval.