

## YEAR IN REVIEW

### PROJECT OVERVIEW

The year 2019 was packed with activity for the Appalachian Partnership for Economic Growth (APEG). From a project standpoint, we helped more company expansion and attraction projects than we have in the last three years and had the third highest number of projects in our nine years of existence. The **twenty-three companies** we assisted with capital projects pledged to invest **\$2.4 billion, to create 815 jobs and to retain 3,009 jobs.**



### NOTABLE PROJECTS

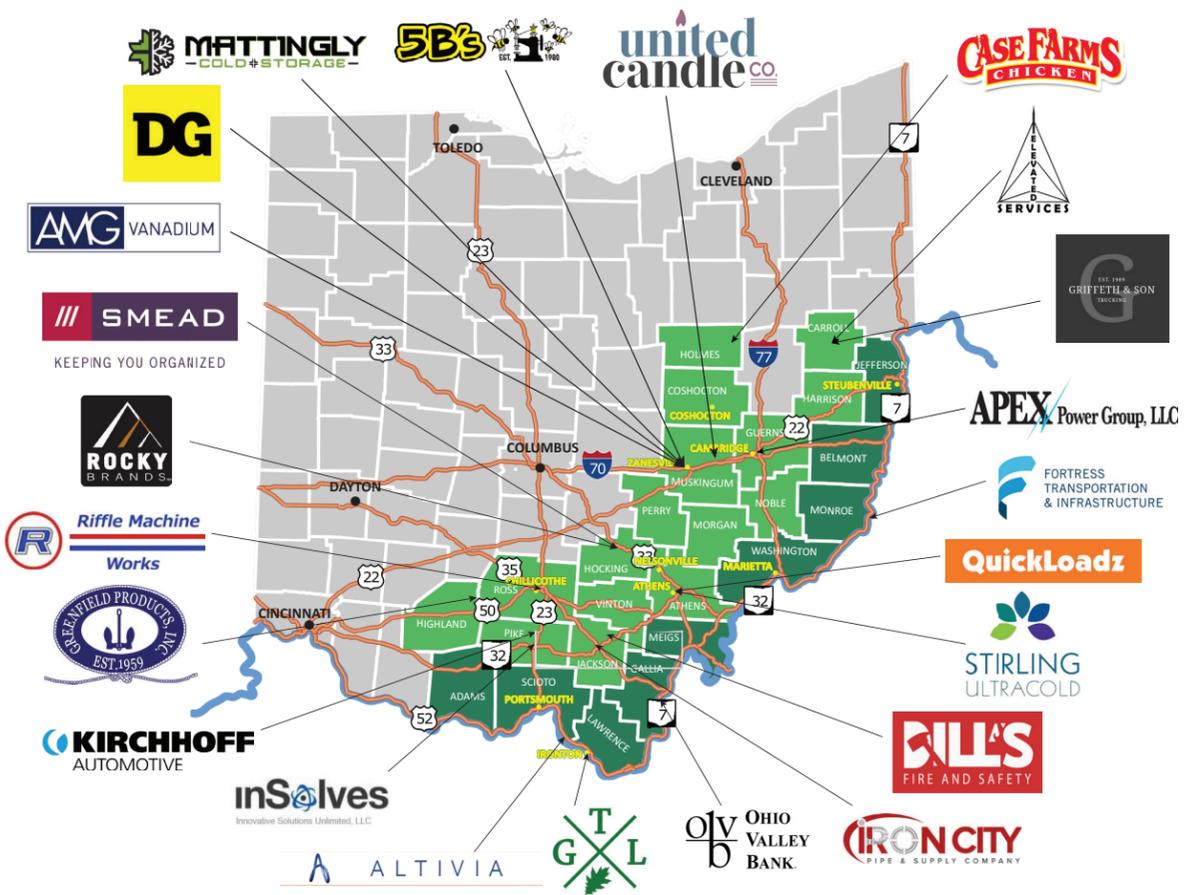
A total of **\$10.4 million in JobsOhio and State of Ohio incentives** was awarded to 23 APEG-supported projects in 2019. APEG helped these growing companies navigate through the incentives application and approval process with JobsOhio and the State of Ohio. As the regional network partner for JobsOhio, we also work in close collaboration with local economic development professionals. Economic development is a team sport, and we deeply appreciate the indispensable work done by our local partners. (Note: APEG counts only those development projects with which it was directly involved. In addition, local incentives packages offered by communities are not included in this number.) Notable wins for the region include:

- **AMG Vanadium LLC**, Zanesville, Muskingum County – AMG Vanadium makes an additive for steel from refinery waste. The company selected a site in the EastPointe Business Park to build its new \$200+ million plant that will create 102 new jobs.
- **Griffeth & Son Trucking**, Carrollton, Carroll County – This family-owned business invested \$4.2 million to expand its limestone hauling division and continue capitalizing on opportunities related to the oil and gas industry. The company will add 40 new jobs with a new payroll in excess of \$1 million.
- **Case Farms Processing, Inc.**, Winesburg, Holmes County – Case Farms selected this chicken processing plant over North Carolina facilities for a \$101-million and 156,000-square foot expansion that will create 144 jobs.
- **Smead Manufacturing Company**, Logan, Hocking County – A manufacturer of paper office supplies, Smead will relocate jobs from an international facility and invest and create jobs in Ohio. The \$1.8-million capital investment will create 89 jobs.

- **Stirling Ultracold**, Athens, Athens County – This homegrown and world-class technology company that makes cryogenic freezers invested \$3.2 million on an expansion to bring some outsourced production in-house, creating 32 new jobs.
- **APEX Power**, Cambridge, Guernsey County – APEX Power is constructing a massive 1,800-megawatt combined-cycle, gas-fired power plant. This state-of-the art \$1.6-billion project will use the region's abundant natural gas to produce electricity with far less emissions than coal. It will create 25 new jobs.
- **Greenfield Products**, Greenfield, Highland County – This small manufacturer of marine products and specialty metal coatings, expanded operations with equipment upgrades that will create 24 new jobs.

Notably, 20 of our 23 wins were company expansions that involved competition for the new jobs and investment with other regions, states and nations. Over 20-percent of those projects were uncovered during business retention and expansion (BRE) visits, and the majority of the rest of the projects were with companies that reached out after a BRE visit in the past. Together with our local partners, we set a regional record of 184 BRE visits last year, and we aim to do even more in 2020.

BREs are the most important activity for communities and regions to retain companies, grow companies, identify work force and business climate needs, and even attract new companies. **Please join us in 2020 in our BRE efforts to ensure we are reaching out to build relationships with those businesses in our region.**



# SITE SELECTION & SITE DEVELOPMENT

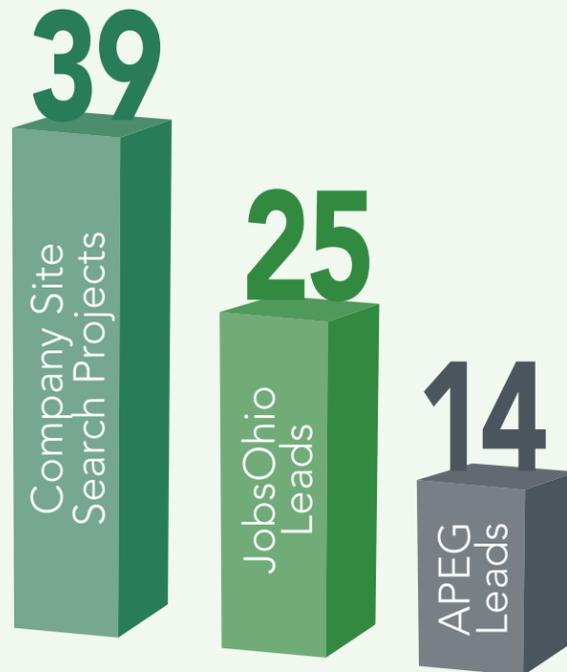
Financial incentive projects are only part of what APEG does. Helping companies identify sites and buildings for new facilities is also a major role for our organization. These searches are usually multi-state searches and even multi-national searches.

**While business attraction is a long term, low percentage endeavor, it is a vital strategy to diversify our region's economy.**

Notably, the \$8-billion PTTGCA-Daelim petrochemical project expected to formally announce in 2020 in Belmont County was a JobsOhio site search project. The \$1-billion EmberClear project that recently signed a construction contract in Harrison County was an APEG/JobsOhio site search.

Whether it's **attracting new businesses** or making sure an existing business remains in your community by having a place to grow, the development of sites and buildings is critical. Having ready sites and buildings is also a major challenge for rural areas. APEG continues to take actions to assist communities prepare sites.

**In 2019, we responded to:**



Tracking properties and responses to site search leads are managed through an online tool: ZoomProspector. While the total number of site searches was down from 2018, APEG-generated leads grew 25% over the previous year, and the percentage of site searches resulting in site visits was also up – 15% in 2019. We are hopeful a 2019 site search is pending an announcement in our region soon, and other site search projects remain in the pipeline.

Last year we also expanded our lead generation efforts, which if successful, will result in more site searches. We increased our lead generation phone calls and attended hardwood and petrochemical events where we met with companies. We hosted a commercial real estate brokers' open house in Columbus. In 2020, we plan to expand our efforts even further, including more scheduled calls with companies and more site selector/broker events.

## APEG SITES INITIATIVE

A very exciting development in 2019 expanded on the APEG Site Initiative started in 2018. JobsOhio hired three different civil engineering firms to complete full due diligence studies, utility assessments, grading estimates, and development costs estimates for 14 sites, mostly in economically distressed southern Ohio. A second phase of the Sites Initiative was launched in the fall of 2019 when JobsOhio approved funds to make improvements at several sites that passed the due diligence review.



## SITE READINESS GRANTS

APEG awards small matching grants to local development organizations for due diligence studies and preliminary engineering in an effort to help communities develop competitive sites and win projects.

**In 2019, APEG awarded over \$75,000 for ten different projects**

including environmental assessments, site development plans and engineering studies.

# EXPANDING OUR HORIZON

Much of APEG's focus in 2019 was to ask the question,

**“What are the most important things we need to do as a region to advance our business economy?”**

Over 450 people helped answer that question and developed a set of 13 strategic initiatives as part of the **Regional Prosperity Plan**, an economic development strategic plan to advance the region. In conjunction with this process, we expanded our program of work:

- We **successfully advocated for the reinstatement of Ohio's Rural Industrial Park Loan**. (Thank you to the Appalachian delegation of the Ohio General Assembly who got this in the Budget Bill.)
- We **conducted employee recruitment best practices events** to help employers understand tools and strategies to recruit workers.
- We **helped to fund the continuation of a regional broadband study** started by the Athens EDC and Buckeye Hills Regional Council. The excellent work started by these partners with the expertise of Reid Consulting created policy recommendations that could be the key to securing state and federal funds for infrastructure buildout in the unserved “rural expanse.”
- We **helped JobsOhio provide funds to the Washington County Career Center** to recruit and train much needed maintenance mechanics.



- We joined with local development districts in a formal policy advocacy group, the **Ohio Rural Development Alliance**, giving a more unified and influential voice to the region.
- Also, at the invitation of the local development districts, we are **leading a federal opportunity zone initiative**, Opportunity Appalachia, which has already been recognized by Forbes Magazine for its creative approach to bringing investments to Appalachia.

## OUR REGION'S ECONOMIC DEVELOPMENT STRATEGIC PLAN

### A UNITED VISION FOR THE REGION

Numerous entities across our 25-county region of one million citizens are involved in various aspects of economic and community development. Local development offices, cities, counties, non-profits, local development districts (councils of government), workforce development organizations, APEG and our parent organization, the Appalachian Partnership Inc. (API), as well as others play a role.

However, efforts are not necessarily always connected to one another, and with no major population center, there has not been one unifying vision for our economic future nor a plan to get there. In 2019, APEG joined with API to lead an effort to develop a region-wide economic development strategic plan: the **Regional Economic Prosperity Plan**. The planning process kicked off in January, and over the course of six months, 36 public work sessions were held, with 453 stakeholders/partners and 194 business leaders participating.

The plan was data-driven but developed at a grassroots level. It will enable the southeastern Ohio region to speak with one voice to prioritize our needs, develop initiatives to create a more robust economy, garner resources to execute those initiatives, and ultimately have a more prosperous quality of life.

The first step in the regional Prosperity Planning process was to gather and analyze data that would inform the plan. The planning process encompassed three phases of research, employer engagement, analysis, stakeholder input and action planning. Two reports provided analysis to inform and inspire plan development:

- **“Insights of the APEG Region”** presented the research that was completed in Phase I of the planning process and it illustrated current conditions of the regional economy, drawing attention to critical weaknesses that are holding back the region from economic growth and prosperity.
- **“Target Industries for the APEG Region”** identified and recommended “best fit” industries based on sound data and alignment to the APEG region's strengths for supporting industry success.

Based upon the research reports, nine business focus groups, eight stakeholder meetings, and the work of many strategy sessions, **13 strategic initiatives within 4 broad categories** were identified and prioritized as a basis for action. Those strategic initiatives include:

### BUSINESS VOICE

1. Employer Roundtables
2. Organizing for Advocacy

### TALENT

3. Incumbent Worker Upskilling
4. Business Engagement with Career Awareness
5. Talent Recruitment to the Region:

### COMPETITIVE ASSETS

6. Site & Spec Building Development
7. Business Financing Gaps
8. Broadband Infrastructure

### ECONOMIC DEVELOPMENT

9. Focused Existing Business Growth (BRE)
10. Business Cluster Development
11. Targeted Business Attraction
12. Website Enhancements
13. Community Technical Assistance

Teams from over 20 different organizations in the region have assembled to work individually on these 13 strategic initiatives. The Teams check in quarterly as a group via video conference. API and APEG have retained a fundraising consultant to help explore funding options that will enable execution of the 13 different strategies in the plan.



# PLANS FOR 2020

APEG has adopted a **Plan of Work for 2020**. Components include:

- **Continue the work of BRE, business attraction, and site selection/site readiness** (JobsOhio 1.0 work) to support jobs and investment by companies in Ohio's nine targeted industry sectors.
- **Help to implement applicable elements of JobsOhio's new strategy:** JobsOhio 2.0, which aims to build the infrastructure that will enable Ohio to become a top ten state for economic growth. The three major components of JobsOhio's 2.0 strategy are: (1) Tech Talent Development, (2) Site & Building Development, and (3) Innovation. JobsOhio has agreed to spend \$750 million over 5 years statewide on these initiatives.
- **Take as many sites as possible in the APEG Site Initiative that have passed** a due diligence review through the second phase of the Sites Initiative (construction) so that southern Ohio can have competitive sites to win company investments.

- **Help JobsOhio execute a Priority Investment Strategy** that will allow some of the most distressed counties in the state to plan for, build for, and attract more jobs and investment.
- **Work with JobsOhio to see the PTTGCA-Daelim petrochemical project** through to positive final investment decision on its massive project on a 500-acre site near Dilles Bottom in Belmont County.
- **Assist approximately five communities through the Opportunity Appalachia technical assistance process** so they can receive Opportunity Zone Fund investments.
- **Expand HR Best Practices Events** to assist employers find, recruit, train and retain the workers they need.
- **Continue to support the 13 strategic initiative teams** of the Prosperity Plan through execution on this 5-year plan, including seeking financial support for all initiatives.



## APEG STAFF



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### ABOUT APEG

**Appalachian Partnership for Economic Growth (APEG)**, a subsidiary of API, is the JobsOhio Network Partner for southern, eastern and southeastern Ohio, providing economic development work and resources in 25 rural counties; we are the newest and geographically the largest of the six regions across the state. APEG partners closely with regional development districts, local economic development offices, state agencies and other entities to expand, retain and attract businesses in the counties we serve. Learn more at [APEG.com](http://APEG.com).

### ABOUT API

**Appalachian Partnership Inc. (API)** is a non-profit organization that provides a business voice for Appalachian Ohio and attracts resources to help businesses prosper. Since 2012, it has provided more than \$12 million in free and low-cost business services, such as consulting services to the hardwood industry and grant funds that supported advanced training for 800+ manufacturing workers. API is currently launching a lending subsidiary, Appalachian Growth Capital, to address credit gaps for area businesses.

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