

# 2017 CEDS Annual Report

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## Overview

During spring and summer 2015, Buckeye Hills released a fully rewritten CEDS document for the eight county service region in southeastern Ohio. The revised CEDS provided information generated and gathered from a committee of economic development and community representatives from across the region. The document, accessible online at <http://ceds.buckeyehills.org>, provided content and discussion regarding the background of the region, a SWOT analysis, strategic direction, an action plan, information on disaster resilience, as well as a framework for evaluating progress toward the goals formed by the CEDS committee. This annual report will provide updates for all of those areas, as well as a general discussion of conditions and circumstances encountered in the Buckeye Hills region over the past year, as well as an outlook for the immediate future.

Background information on the creation and refinement of the goals and objectives discussed below is available on the Buckeye Hills CEDS website referenced above.

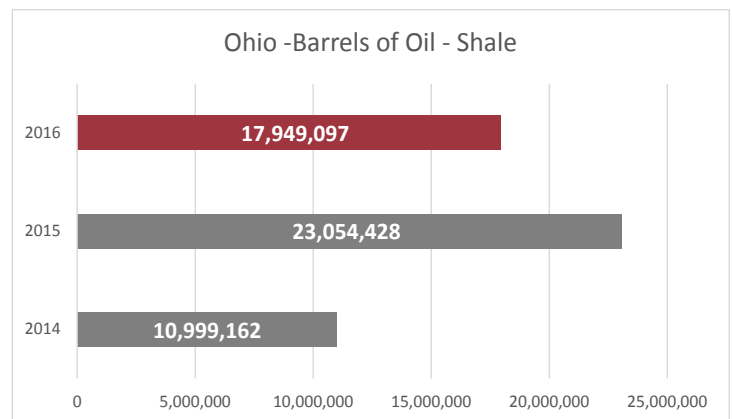
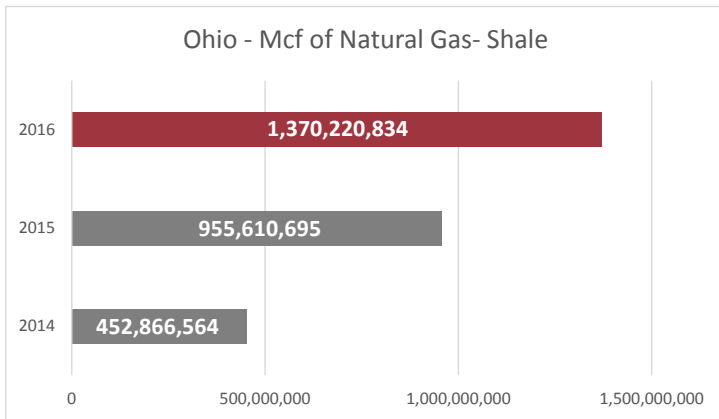
## Regional Developments

### Oil and Gas

Oil and gas development remains the most anticipated development issue across the district since the initial phases of development started in 2010. Marcellus and Utica shale developments provided significant business and employment opportunities across the region as developments spurred direct impacts to mining and extraction related industries, as well as businesses participating in supporting and derivative activities. The persistence of low international oil prices has limited the continued general development of resources in the region. While additional drilling activities have slowed, the production of existing Ohio shale resources continues to grow. The graphs below show the Ohio shale production of MCF of natural gas and barrels of oil from 2014 to 2016 as reported by ODNR<sup>1</sup>. Natural gas production increased over 43% since 2015, while oil production was down slightly. Overall as was discussed last year, oil and shale gas remains a competitive advantage for eastern and southeastern Ohio, and remains the greatest economic opportunity for the region.

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<sup>1</sup> Ohio DNR – Utica Shale Fourth Quarter Production Totals <http://oilandgas.ohiodnr.gov/division-updates/post/ohio-s-utica-shale-fourth-quarter-production-totals-released>.



One key challenge facing the continued success of natural gas development and related economic development in southeastern Ohio, is the availability of natural gas capacity via existing distribution systems. This issue was discussed in detail with community partners at a meeting held in Marietta in mid-September 2016. Dominion Ohio presented information detailing the age and relative size of the natural gas distribution system(s) servicing the region. As discussed the system is undersized and not optimally configured/located to meet modern demands for natural gas. Much of the system servicing the region was located and sized based on needs present 30 years ago or more. Natural gas providers in Ohio, and particularly those servicing the Buckeye Hills region have limited ability to recover the tremendous costs necessary to build laterals or other needed system extensions, thereby lessening the likelihood of significant capital investment. Assistance on modifying these regulations will require legislative action, and advocacy on the part of local communities and residents. Our partners at the Appalachian Partnership for Economic Growth (APEG) echoed this concern, and detailed multiple instances where large existing employers were struggling to overcome this challenge, delaying or cancelling expansions, and other instances where economic development projects passed on sites in the region due to this reality. Buckeye Hills will remain engaged in this issue, and will present future developments in upcoming CEDS documents.

## Broadband

Broadband deployment and adoption has been a major focus of LDD organizations in Ohio for the past several years. As mentioned in previous annual reports, an important resource in broadband efforts in Ohio is Connect Ohio, and without their research and mapping, determining the availability and adoption of broadband in the state would be nearly impossible. It was positive news for the region when they were granted a one year funding extension to continue their efforts last fall. New research and mapping was released, and in 2015 it was shown that two Buckeye Hills counties, Monroe and Perry, have the lowest availability of 10mb down/ 1mb up terrestrial non-mobile service in the state at 19.99% and 25.85% respectively. A map depicting this can be found here: [Ohio 10mb service map](#). Higher speed availabilities meeting the FCC definition for broadband (25mb down/ 3mb up) are considerably lower statewide, with at least one Buckeye Hills county having 0% availability at those speeds. ([Ohio](#)

[25mb service map.](#)) In a statewide context, availability continues to edge up, reaching nearly 83% at FCC standard speeds, and as high as 98% at lower advertised speeds.

In light of these developments, Buckeye Hills remains engaged in progressing the broadband conversation in southeast Ohio. During spring 2017 Buckeye Hills applied for POWER funding from the Appalachian Regional Commission (ARC) funding for a three year broadband adoption project. This project is focused on working with small businesses to adopt broadband services that already exist in the Buckeye Hills region. Similar projects in North Carolina and nine other states have been successfully executed by the project partner, Strategic Network Group.

## Unemployment

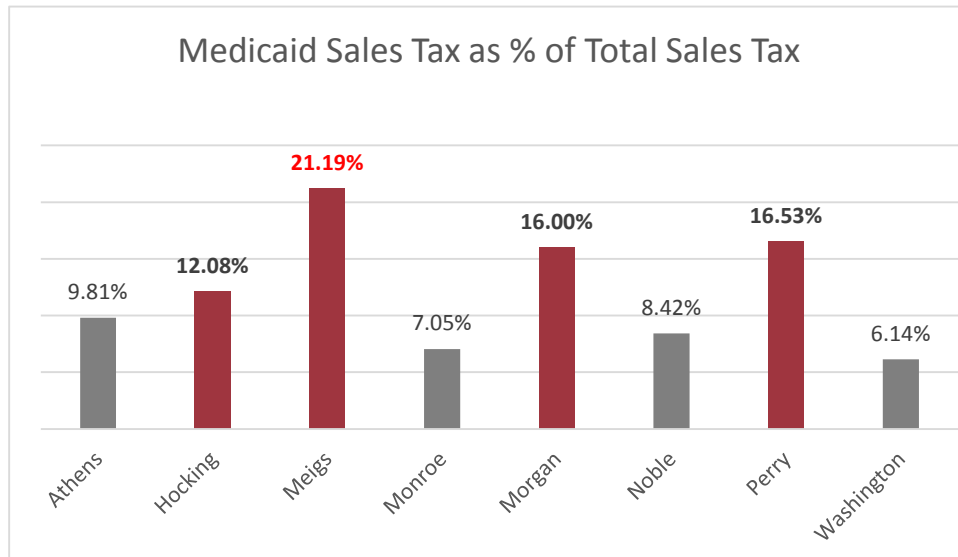
Monroe County and other eastern Ohio counties recently experienced a series of layoffs in coal related industries, leaving nearly 1,000 workers unemployed. The 2016 unemployment rate jumped to 10.9 percent in Monroe County as a result with the remaining Buckeye Hills member counties ranging from 5.3 to 8.5 percent. Buckeye Hills has been working in close partnership with EDA and the Appalachian Regional Commission to inform local partners of the opportunities available as part of the Power initiative announced in mid-2015. Work has already started on developing projects and partnerships that are targeted at accessing these resources, and transforming local economies that have been impacted by the downturn in the coal economy.

Further exacerbating these issues are persistent low levels of per capita income in the region. According to the most recent 5 year estimates from the American Community Survey the Buckeye Hills region still has only 71% of the federal average per capita income at \$20,430.

## Local Funding Issues

In 2016 regulators put an end to the Medicaid sales tax that allowed Ohio to collect millions of dollars a year in local sales tax revenue. On average, Ohio counties are facing a 7.5 percent loss in sales tax collections, based on 2015 figures. This tax change is especially difficult for southeast Ohio with Buckeye Hills member counties losing anywhere from 7 to 21 percent of their sales tax revenue, with Meigs County having the second largest impact in the state – facing a loss of 21%. (See data table below.) This reality is a major blow to not only local economic development efforts, but to the daily operation of many county governments. In an effort to provide support to help counties manage the loss of this sales tax, the executive budget contains a ‘sales tax transition aid’ support payment proposal. The proposal consists of two components; a calculated replacement payment intended to cover the last quarter of 2017 and a formula component representing an amount above what is expected to be reasonable for local parties to absorb in loss. If this transitional aid proposal is adopted, this would conclude the issue from the state’s perspective, with no future payments to counties intended. Information on the transitional aid proposal is available [here](#).

Buckeye Hills remains hopeful that counties will be able to adapt and find innovative ways to move forward and is committed to working with members to address funding shortfalls they may experience as a result.



## Goal Areas and Action Plan Progress

During 2015, Buckeye Hills collaborated with local leaders and industry partners to craft an economic action plan for the region. This plan included goals and objectives centered around five core topics for the region; **workforce, infrastructure, economic diversification, education, and community challenges.**

Sections below will detail the progress made over the past year toward each of the objectives developed to further the stated goals of the region. This document represents the second Annual Report issued based on the 2015 revised document.

**Ensure that the workforce of the Buckeye Hills region has all the skills necessary to participate and succeed in the 21<sup>st</sup> century workforce.**

Objective: Buckeye Hill staff will participate in a minimum of five (5) outreach activities with local educational institutions or workforce organizations, within the next five years, to communicate the importance of timeliness, professionalism, and reliability as key qualities of a productive member of the workforce.

Status: **On Target/ In Process**

During the past year, Buckeye Hills staff has completed **four (4)** (project period total **-six (6)**) educational outreach activities with local educational institutions; three visits to Marietta College, and one visit to Washington State Community College. During these visits, Buckeye Hills staff not only shared expertise on topics of interest (GIS, data research, analysis

techniques, regional planning perspectives, economic development issues, Appalachian Challenges, etc.) but also discussed the importance of soft skills to maximize employability.

Objective: Buckeye Hills RTPO staff will select three (3) areas within the district for multimodal transportation system analysis by December 2015. Buckeye Hills will complete the multimodal analysis activities by June 2017.

Status: **On Target/ In Process**

During December 2015, Buckeye Hills selected three communities for further multimodal transportation system analysis as part of the RTPO work plan for 2016/2017. The communities selected were **the City of Logan (Hocking County), the Village of Middleport (Meigs County), and the Village of Woodsfield (Monroe County)**. The purpose of this additional analysis is to identify impediments to multimodal travel (specifically pedestrian and bike access) and recommend potential solutions to identified barriers and gaps. Work on these items continues, and visits will be made to these communities during spring 2017 to evaluate local challenges and impediments to pedestrian and bike access. Additional datasets including community sidewalk inventories and local parking inventories will be completed to complement these items as well. All work on these items is on track to be completed by June 2017.

Objective: Buckeye Hills will serve as an information resource between workforce organizations (WIB/WIA/One Stops) and local development professionals, providing at least six (6) points of contact annually detailing available programs, current needs, and new opportunities.

Status: **On Target/ In Process**

Over the past year, Buckeye Hills staff has attended **six (6)** (project period total – **eight (8)**) workforce related meetings, four as part of the MOVRC – Opt In program, one for Washington County Career Center and one for Washington State Community College. While remaining active in the MOVRC Opt In group meetings and annual summit, Buckeye Hills staff also remains involved in the IT sector subgroup; providing insight on IT and technical related issues and employment opportunities in the mid-Ohio valley. Buckeye Hills also serves as a curriculum and workforce advisor to both the Washington State Career Center Geoscience Program, and the Washington County Career Center Business and Information Technologies program (adult technical training). These efforts are in addition to the dozens of individual meetings and contacts during the course of the year where issues, opportunities, and programming have been discussed with interested local parties. Buckeye Hills staff will continue to seek out new opportunities to interact with partners impacting workforce issues, and will continue to maximize opportunities to share information with partners across the region.

**Provide the residents and businesses of southeastern Ohio with utility infrastructure that will satisfy current demands, and scale to meet the needs of the future.**

Objective: Buckeye Hills staff will complete and disseminate at least one (1) Local Government Innovation Fund study by winter 2016, outlining the potential scenarios for the utilization of low power and no power water treatment systems in communities of less than 250 residents.

Status: **Achieved**

This project was a partnership with staff from Rural Action in Athens Ohio. As of March 2017, this report is complete and available to the public on the Rural Action website. The report can be accessed at: <http://ruralaction.org/wwtpreport/>.

Objective: Buckeye Hills RTPO staff will complete one (1) prioritized Transportation Improvement Plan project listing for the region to be submitted to ODOT by June 2017.

Status: **On Target/ In Process**

During October 2015, Buckeye Hills RTPO staff began working closely with ODOT staff to launch a process of gathering information on unfunded transportation projects in the region, to be used as justification for a pilot capital program. This effort related directly with the regional transportation improvement program (RTIP) effort that is underway as part of the current RTPO work plan for the region. A first draft of the unfunded project listing was completed in November 2015. The first draft of the RTIP was submitted in February 2017, with a second draft submitted for review in late March 2016. The final draft is due to ODOT by April 28, 2017. The RTIP project listing and all related information can be found on the Buckeye Hills RTPO website at: <http://rtpo.buckeyehills.org/rtip/>.

Objective: Buckeye Hills staff will hold at least one (1) informational/ training session per year in each county providing current information regarding available public infrastructure financing and program guidelines.

Status: **On Target/ In Process**

During spring 2016 Executive Director Misty Casto met with each board of county commissioners to share with them a customized statement of return on investment for projects and programs administered by Buckeye Hills in each county during the previous year. This also presents an opportunity for Buckeye Hills staff to learn about upcoming projects or other concerns that local leaders may have. Buckeye Hills also hosts two semi-annual general policy council meetings where updates on programs and projects are presented to a large forum of local partners.

Historically Buckeye Hills has hosted small informal informational meetings in each county to inform local leaders and partners of program opportunities and initiatives taking place in the region; as well as to hear about local interests and concerns that Buckeye Hills may be able to assist with. For 2017 Buckeye Hills is planning to change this to a more structured 'county caucus' format focused on working to identify priority projects in each member county for the upcoming year. This is a model that has been successful for other Economic Development

Districts in establishing and communicating regional objectives. The first round of these meetings is tentatively scheduled for spring/summer 2017.

**Work collaboratively to continue diversifying the regional economy to lessen the impact of any external threats to the traditional economic base.**

Objective: Buckeye Hills staff will participate in the completion of one (1) study which will analyze the impacts of shale gas exploration in eastern and southeastern Ohio. This study will provide additional cluster analysis for future CEDS documents and will be completed by winter 2016.

Status: **Achieved**

Buckeye Hills participated in an EDA funded shale impact study, in partnership with the Ohio State University, the Ohio Mid-eastern Governments Association, the Eastgate Regional Council of Governments, and the Northeast Ohio Four County Regional Planning and Development Organization. The effort was focused on helping communities in southeastern and eastern Ohio anticipate, prepare, maximize, and recover from impacts of oil and shale gas exploration activities. The final reports and resulting CEDS documentation were released in summer 2016. The final report including maps, graphs, and other research completed by the partner agencies is available on the [Ohio State University Website](#).

**Support opportunities for residents to capitalize on meaningful career opportunities within the Buckeye Hills region.**

Objective: Buckeye Hills staff will participate in a minimum of one (1) professional pathway outreach activity with a local educational institution per year, for each of the five years in the CEDS update cycle. A minimum of five (5) activities will be completed by April 2020.

Status: **Achieved**

Over the past year, Buckeye Hills staff has made **eight (8)** (project period total – **twelve (12)**) professional pathway outreach visits with local students. Staff conducted 2 visits with 6th grade students at Marietta Middle School, 2 visits with 7<sup>th</sup> grade students at Marietta Middle School, one visit with 3<sup>rd</sup> graders at Washington Elementary School (Marietta), one visit with middle school faculty at Marietta Middle School, one visit with school faculty at Marietta High School, as well as being a participant at ‘Meet a Scientist Day’ held on the campus of Marietta College during May 2016. During these visits Buckeye Hills staff discusses career opportunities in local communities and organizations, while also sharing personal stories of how they came to be interested and employed in their current field of expertise.

**Serve as a resource and a facilitator to local communities addressing quality of life challenges for residents.**

Objective: Buckeye Hills staff will prepare and publish one (1) public data compendium containing regionally important data for use by local communities as they research solutions to pertinent issues. The first edition of this compendium will be released by winter 2015.

Status: **Missed/ In Process**

Work on this item continues to move forward. The data compendium site was established in summer 2016, with more data being added to it regularly. The site can be accessed at: <http://buckeyehills.org/development/data-compendium/>. To bolster this effort, interactive charts showing pertinent data indicators for consideration during the planning process taking place in the region have been added to the CEDS website. The indicators can be accessed at: <http://ceds.buckeyehills.org/indicators/>.

Objective: Buckeye Hills staff will annually fulfill a minimum of 100 data requests fielded from local officials, community representatives, stakeholders, and local citizens, free of charge.

Status: **On Target/ In Process**

Buckeye Hills is a state data center partner recognized by the U.S. Census Bureau. In the 2016 CEDS Annual Report, for the period July 2014 to July 2015 115 data requests were reported. To simplify reporting of these requests, a running total since April 30, 2015 will be reported in this and future annual reports. To date approximately **150** requests have been filled for requesting parties. The goal as described in the objective is to fulfill 500 requests during the five year CEDS period.

Overall the number of simple data requests has been declining (population, income, etc.) due to the successful implementation of easily accessible online resources, but the complexity of the data requests received, along with the time necessary to complete them has been increasing. GIS mapping and related spatial data remains the most frequently requested information. Buckeye Hills will continue to fill as many data requests from communities and partners in the region as possible.



## CEDS Evaluation Framework

CEDS Evaluation Framework				
Indicators of Regional Progress				
	Achieved	On-Target	Missed	In Process
Decrease Regional Unemployment by 2% by 2020.		■		
Increase Regional Employment 2% by 2020.				■
Increase Regional Broadband Adoption 2% Annually by 2020.				■
10% of BH Region has Bachelor Degree by 2020.		■		
Action Plan Evaluation Framework				
Workforce	Achieved	On-Target	Missed	In Process
Complete 5 Educational Outreach Activities in 5 Years.		■		■
Complete 3 Multi Modal Analyses by June 2017.		■		■
Collaborate with Workforce Organizations 6 Times Annually.		■		■
Infrastructure	Achieved	On-Target	Missed	In Process
Complete 1 LGIF Study by Winter 2016.	■			■
Complete 1 TIP Listing by June 2017		■		■
Hold 1 Funding Information Session per County Annually.		■		
Diversification	Achieved	On-Target	Missed	In Process
Complete 1 Shale Gas Analysis Study by Winter 2016.	■			■
Career	Achieved	On-Target	Missed	In Process
Complete 5 Career Pathway Activities by April 2020.	■			■
Community	Achieved	On-Target	Missed	In Process
Publish 1 Data Compendium by Winter 2015.			■	■
Complete 100 Data Requests Annually.		■		■

The Evaluation Framework table (above) has been updated to provide a quick snapshot of progress toward the stated goals and objectives from the CEDS Action Plan. As of April 2017, **three objectives had been achieved, six were on target, and one was missed.**

The regional indicators remain to be generally on target and in progress.