

OHIO'S ELECTRIC COOPERATIVES CURRENT



REDLG Grant Unleashes Pent-Up Demand for Industrial Sites

Selling 23 of the 24 available sites in an industrial park in less 12 months is a remarkable feat, even more so, that it occurred during a global pandemic. This rapid absorption rate is testament to Mercer County's entrepreneurial spirit and to a community that pulls together for the benefit of all.

Midwest Electric awarded \$300,000 REDLG grant to support rural projects.

The U.S. Department of Agriculture (USDA) recently awarded a \$300,000 grant to Midwest Electric as part of its Rural Economic Development Loan and Grant (REDLG) program. REDLG provides funding to rural projects through local utility organizations. This is the fourth REDLG grant Midwest Electric has secured to support economic development in the cooperative's seven-county service area.



Midwest Electric, Inc.

A Touchstone Energy® Cooperative 



Newest REDLG grant supports fourth phase of Marion Township Industrial Park.

With this REDLG grant, Midwest Electric will provide a low-interest loan to Mercer County, Ohio, to finance water, sewer, and road infrastructure for an 80-acre expansion of the Marion Township Industrial Park in Maria Stein, Ohio. As Mercer County repays the loan, the money will go into a revolving loan fund, allowing Midwest Electric to make additional loans to other organizations and businesses.



Grant program participation exemplifies “Concern for Community” co-op principle.

“Working collaboratively to add and retain jobs in the community and supporting economic development demonstrates the “Concern for Community” co-op principle, one of seven core principles that form the basis of the cooperative business model,” says Midwest Electric, Inc. CEO Matt Berry. “REDLG is an example of a public-private partnership that provides immediate results and sets up our communities for long-term economic success.”

Midwest Electric serves 11,000 commercial and residential members in seven west central Ohio counties including Mercer, Auglaize, Allen, Van Wert, Putnam, Darke and Shelby. Berry notes that the REDLG program has helped grow Midwest Electric’s commercial load from 15% to about 30-35% of sales over 15 years. Spreading the infrastructure investment over more users helps keep costs down for everyone.

REDLG grants support both attraction projects and growth from within the county.

Midwest Electric’s four USDA REDLG grants were awarded in 2005, 2013, 2018, and 2021 and total \$1,036,675. Combined, these grants have allowed Midwest Electric to award \$2.5 million in low-interest loans to 14 recipients, helping maintain, create, or attract approximately 580 area jobs.

Midwest Electric’s second REDLG grant (secured in 2013) was loaned at 0% to Mercer County for the extension of water and sewer service to the site that attracted the twelfth distribution center of Ferguson, the largest wholesale distributor of plumbing supplies in the U.S. The \$360,000 loan also provided utilities to adjacent development sites on the Route 29 corridor.



Economic development approach balances attraction and local organic growth efforts.

Jared C. Ebbing, PE, Community and Economic Development Director for Mercer County, Ohio, explains that Mercer County has a two-pronged approach to economic development that includes:

1. Marketing the community to site selection consultants and companies outside the region that align with Mercer County’ target industries and seek its unique benefits.
2. Creating the infrastructure and environment where existing companies want to grow and where entrepreneurs want to start businesses.

Loss of largest employers was the genesis of a new direction.

As with many initiatives, Mercer County's economic development strategy evolved from a time of hardship in the late 1990s when the community's two largest employers closed or moved away, resulting in 19% unemployment.

While the county still benefits from having some large companies, those are now balanced with numerous small and mid-size companies, many of which were started by

skilled people who lost their job when the large companies closed. "We're no longer relying on any one company or industry," says Ebbing. "We're much more diverse and able to weather an economic storm."

And what about that double-digit unemployment rate? It's now consistently the lowest or second lowest in the state and currently at 2.6%.

"If you like to work, Mercer County is a good place to be," says Ebbing.

This part of the state has a proven workforce ingrained with a Midwestern work ethic, dedicated to productivity and profitability. The region's roots are in agriculture, and people take pride in what they do. These beliefs translate into high attendance and retention rates for the local workforce.

"Training and development are vital," says Ebbing. "At least 80% of my job is making sure existing companies have the employees they need and making sure students know what amazing opportunities are available locally. Companies do come here and expand here even though unemployment is low. Extensive outreach efforts connect students to employers well before they get their diploma."

Marion Township Industrial Park provides a place for businesses to grow and expand.

Mercer County's key industries are agriculture and food processing, manufacturing, professional services, transportation and logistics, education, and healthcare. The Marion Township Industrial Park is home to a diverse mix of businesses ranging from welding, trucking, and construction to craft brewing, fitness, and daycare.

Speculative development in a rural area has unique risks and the Marion Township community crafted a unique solution. All partners went into the project believing the demand was strong and with the shared goal of fostering growth and economic development. Here's what the partners contributed:

- Marion Community Development Organization purchased the land for the first and second phases beginning in 1998. A private individual owned the land for the third phase. In the fourth and current phase, over 20 individuals from the region pooled their money, bought the land, and handled the parcel sales.
- Marion Township partnered with Mercer County to issue bonds to finance the road, water, and sewer improvements.
- Midwest Electric secured a \$300,000 REDLG grant from USDA and is providing a \$360,000 low-interest loan to Mercer County to help finance construction of water, sewer, and road infrastructure for the industrial park's 80-acre fourth phase.
- Mercer County helped plan, design, and pay for all four phases of the industrial park's infrastructure.



Marion Township Industrial Park's 80-acre fourth phase includes 24 lots.

- A TIF district was established and used for all four phases, where any taxes collected will pay off the infrastructure loans. The school district and Marion Township are foregoing taxes until the TIF expires. The TIFs on the first two phases have expired, so the school district and township are now benefiting from increased property tax collections.
- As Mercer County repays the infrastructure loan, payments go into Midwest Electric's Revolving Loan Fund (RLF) which is lent at 2% interest currently to private businesses for capital and real estate investments. Since 2005, Midwest has made 18 RLF loans to 14 recipients totaling \$2,524,010 to create or retain approximately 580 jobs.
- Ohio's Electric Cooperatives provided financial support for grant writing to secure the REDLG funds through the USDA's competitive process.

REDLG grant unleashed pent-up demand for development sites.

In the Marion Township Industrial Park's fourth phase, 23 of the 24 available sites were spoken for and ready for sales to occur when COVID-19 hit the U.S. Despite the challenges caused by the pandemic, all the lot sales went through. Three buildings are already completed and construction has started on others. The final site is in contract. "That tells us we need to start planning for the next phase," says Ebbing.

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Industrial Asset Management Council (IAMC) Spring Professional Forum

June 19-23, 2021
Fort Worth, Texas

Site Selectors Guild 2021 Fall Forum

September 20-22, 2021
New Orleans, Louisiana

Industrial Asset Management Council (IAMC) Fall Professional Forum

October 2-6, 2021
Kansas City, Missouri

National Rural Economic Developers Association (NREDA) 2021 Annual Conference

November 10-12, 2021
Louisville, Kentucky

Buckeye Power and Ohio's Electric Cooperatives can help with:

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