



WRITTEN STATEMENT FOR THE RECORD

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GUNNISON COUNTY, COLORADO**

ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

BUILDING PROSPERITY: EDA'S ROLE IN ECONOMIC DEVELOPMENT AND RECOVERY

**BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS
AND EMERGENCY MANAGEMENT**

**U.S. COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES**

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Chairwoman Titus, Ranking Member Meadows and distinguished members of the subcommittee, thank you for the opportunity to testify on “Building Prosperity: EDA’s Role in Economic Development and Recovery.” The U.S. Department of Commerce Economic Development Administration (EDA) and its programs are vital for economic recovery, expansion and job creation to counties across the country, facilitating economic and job growth at both the local and regional levels.

My name is John Messner and I am a commissioner from Gunnison County, Colorado. I am in my third year as county commissioner and prior to that had been a member of the Gunnison County Planning Commission for six years during a period of both economic uncertainty and great opportunity. I also serve on the National Association of Counties (NACo) Environment, Energy and Land Use Policy Steering Committee, and I am glad to be representing NACo here today.

About America’s Counties

Counties are highly diverse, not only in my state of Colorado, but across the nation, and vary immensely in natural resources, social and political systems, cultural, economic and structural circumstances, and public health and environmental responsibilities. Counties range in size from 26 square miles to 87,860 square miles and have populations varying from just under 100 residents to close to ten million people. As we like to say, if you’ve seen one county, you’ve seen one county.

Meanwhile, our responsibilities are often mandated by both the states and federal government. In many states, we are responsible for public health, child welfare, consumer protection, economic development, employment and workforce training, emergency management, land use planning, zoning and environmental protection.

A key component of these responsibilities is local and regional economic and workforce development. Every day, we are tackling challenges such as unemployment and underemployment and we develop local economic growth strategies. In fact, according to a 2014 NACo workforce survey, 84 percent of counties have formed workforce training partnerships with local chambers of commerce, cities, state governments or regional economic development organizations. The same survey showed that more than 90 percent of counties participate in economic development activities, including workforce development, business recruitment and retention, regional marketing, small business support and infrastructure investments.

Counties also play a major role in financing, administering and coordinating federal workforce and economic development programs. This includes EDA, a key pillar of the federal, state and local partnership.

About Gunnison County, Colo.

Gunnison County is a rural county with a population of just over 16,000 residents in the southwest part of Colorado, about 200 miles from Denver. The county encompasses 3,200 square miles – it is one of the largest in the state – and 78 percent of the county is considered public lands. The county has long relied on a few key industries for economic stability, including coal mining, oil and gas production, outdoor recreation, tourism and timber development. The county also has a ski resort and a university, Western Colorado University, which is an integral part of our workforce development initiatives.

Economic Downturn in Gunnison County, Colo.

Both Gunnison County and our neighboring county, Delta County, were heavily reliant on the coal mining industry and have faced significant negative economic impacts due to coal mine closures. In fact, the region has lost 75 percent of the mining jobs in the area in just the past few years. Ten years ago, there were four operating coal mines in the North Fork region of Gunnison and Delta Counties, which employed over 2,000 workers. Now, there is just one operating coal mine left, and even it has significantly reduced operations and workforce opportunities to the point where it is only employing approximately 250 individuals. We estimate that over the last ten years our two counties have lost over 1,700 well-paying jobs, significantly impacting the families and the communities in which these workers lived. The closures of these mines occurred for several reasons, but primarily it was due to the competition with natural gas production which in current markets has been used as a less expensive resource for electricity generation.

These closures have also negatively impacted tax revenues, which in turn impact the county's ability to advance an economic development strategy for the region. Following the closures, many of the residents struggled to find new job opportunities matching their career skills.

We worked to respond to these economic changes by developing a more diversified economy. The county needed a stable and high-wage alternative to the mining industry that had previously dominated the area. However, we faced resource constraints at both the county and regional level. Without the assistance provided by EDA, Gunnison County would still be facing intense economic difficulties.

EDA Grant Project in Gunnison County, Colo.

EDA's engagement, financing and support have been integral to our economic revitalization following the coal mining industry downturn. Realizing the need to diversify and stabilize our economy in order to ensure resiliency moving forward, the county engaged a process called the One Valley Prosperity Project, with the goal to identify strategies and funding mechanisms to engage in economic gardening and build upon the entrepreneurial spirit we knew was inherent in our community. In September 2016, EDA awarded a \$650,000 grant to Gunnison County and City to create a collaborative, multi-agency innovation center and laboratory, called "The ICELab" (Innovation, Creativity, Entrepreneurship Lab), on the campus of Western Colorado University.

Through the ICELab, local businesses and entrepreneurs would have a space to collaborate, compete for funding and have access to a work space, allowing local businesses to grow and create new jobs in the region. The ICELab was specifically funded through EDA's Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative. POWER is a coordinated effort, involving multiple federal agencies, with the goal of aligning federal economic and workforce development programs with local resources to assist communities negatively impacted by changes in the coal industry and power sectors.

Additional partners were brought on to leverage the grant provided by the EDA, including the state of Colorado, Western Colorado University, both Gunnison and Delta Counties, the City of Gunnison and the Gunnison/Crested Butte Tourism Association.

The ICELab operates as a three-prong initiative by providing:

- A **coworking space**, which provides opportunities for people with different skills and expertise to work together in a shared space
- A **business incubator**, where different entrepreneurs and businesses can rent space and receive business coaching and resources, bringing together people with entrepreneurial ideas in a collaborative environment, and
- An **accelerator program**, where four to six organizations compete for a grant to participate in a twelve-week intensive training program for businesses that want to take their ideas to the next level and build their profile.

Businesses within the ICELab are in all stages of development. Many are up and running and starting expansion after more than two years with the ICELab, growing their local economic footprint and adding new jobs in the process. Additionally, many entrepreneurs are generating business venture ideas, which have enticed young adults and college students to stay in the region following their graduation. Western Colorado University also plays an integral role in providing workforce development and education opportunities by coordinating with organizations throughout the region to bolster small business growth.

In just two years, the ICELab has already generated several entrepreneurial success stories, helping boost new companies and expand existing businesses in a variety of sectors. The lab helped grow a local company developing hardware equipment for the fire-fighting industry and furthered the development of an invention that automates irrigation water pipelines on farms. The ICELab's success also extends to the food and beverage industry, as a hand-crafted coffee business headquartered in Gunnison County significantly expanded its regional reach by engaging with the lab's services and opportunities.

Another outgrowth of the business incubator is the development of a second incubator in the region, in partnership with the Outdoor Industry Association and AIM Media, focused specifically on outdoor recreation. This has both enhanced entrepreneurial interests in the region and spurred different

businesses to consider locating branches or headquarters in the region. In fact, through the EDA grant, Gunnison County and the broader region have now developed a robust pipeline of business start-ups and private sector investments by fostering collaborative innovation projects.

We simply did not have the resources to pursue this type of transformational initiative and economic development without the assistance of EDA. EDA investments in our region, coupled with local and state funds, launched a robust economic recovery and job expansion in our community.

EDA Programs Benefit Counties Across the Country

Since 1965, EDA has worked with local and regional stakeholders to address the fundamental building blocks for economic growth: infrastructure investment, business development, loans and financing, regional innovation strategies and public-private partnerships.

Counties strongly support EDA because the program focuses investments in the nation's most distressed areas, especially those suffering sudden or severe economic downturns. EDA's grants are particularly critical for rural areas, where resources for economic development can be scarce. Grants are awarded on a competitive basis, based on regional comprehensive economic development strategies (CEDs), and are developed and prioritized by local communities. This helps ensure that projects have significant local support and are part of a broader regional plan, rather than isolated, uncoordinated local projects. Through local and regional partnerships, counties and EDA are well-positioned to collaborate to address economic challenges impacting communities.

One major use of EDA grants for counties is for water and infrastructure projects. In one instance, McDowell County, West Virginia received an EDA award of \$1.75 million to the McDowell County Public Service District to support the replacement of antiquated water systems installed in the early 1900s. Prior to the EDA grant, water access and quality had been a major concern for the county of 27,000 people, and the new project will benefit residents, several commercial businesses and government offices in the area that currently rely on an inadequate and unsafe water supply. The system replacement will serve as the catalyst for development and economic diversification in a region also severely impacted by the decline in the coal industry by supporting job retention, creating new employment opportunities and attracting private investments to the area. The county estimates that these investments will help create 99 jobs, save 65 additional jobs and leverage \$1 million in private investment.

EDA also has a long history of successfully supporting disaster recovery and resiliency efforts by facilitating the timely and effective delivery of federal economic development assistance to recovery planning, redevelopment and resiliency. EDA is uniquely positioned to coordinate regional disaster recovery efforts in partnership with its extensive network of Economic Development Districts (EDDs), university centers, institutions of higher education and other partners in designated impact areas.

For example, following Hurricane Irma in 2017, EDA awarded \$80,000 in 2018 Disaster Supplemental funds to Hendry County, Florida to fund the Hendry County Community Fiber Optic broadband study, which will eventually provide fiber optic broadband infrastructure across the county. Results of this study will provide essential information to support the region's effort in building a broadband system, which will help to both diversify the Hendry County economy and increase its resiliency against future natural disasters. This resiliency also helps ensure businesses remain in the county and continue to grow throughout the region.

In Conclusion

EDA is proven to be an effective program for counties, communities and regions to aid in economic development and job creation. EDA programs and grants are a catalyst to spur recovery and innovation in communities, and they are uniquely tailored to meet local and regional needs and conditions. I have seen firsthand the difference EDA can make in mitigating economic downturns and in supporting our efforts to create a stable and diversified economy in Gunnison County.

EDA is a program that works on the ground, is essential to helping communities transition from one economy to the next and helps to broaden local economic development efforts. It is successful because it gives us, the local communities, the tools and knowledge to help ourselves, and counties strongly believe the program should continue to be reauthorized and continuously funded.

Chairwoman Titus and Ranking Member Meadows – thank you for having me here today. We appreciate your attention to this vital program, and I urge your continued support for the Economic Development Administration which helps build prosperity from the ground up at the local, regional and national levels.

Thank you again for the opportunity to testify today on behalf of America's 3,069 counties. I would be happy to answer any questions.

Resources

- <https://www.eda.gov/annual-reports/fy2016/states/co.htm>
- <http://crestedbuttenews.com/2019/03/icelab-accelerator-goes-national/>
- <https://icelab.co/>