



Testimony of Kevin Byrd, Executive Director of the New River Valley Regional Commission,
and First Vice President of the National Association of Development Organizations

Before the House Transportation and Infrastructure Subcommittee on Economic Development,
Public Buildings, and Emergency Management

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Chairwoman Titus, Ranking Member Meadows, and members of the subcommittee, thank you for the opportunity to testify today on the importance of the Economic Development Administration (EDA) to my community, my region, and our nation.

My name is Kevin Byrd, and I am the executive director of the New River Valley Regional Commission in Radford, Virginia. We are a public government entity dedicated to facilitating economic and community development and regional collaboration. My professional experience includes more than 15 years in community development, including 9 years in my current position.

I also serve as a board member of the National Association of Development Organizations, known as NADO. NADO is an association that represents hundreds of other Regional Development Organizations like mine across the country. These organizations serve as catalysts for regional economic development, urban and rural planning, public-private partnerships, and strategic initiatives designed to fulfill locally-identified priorities. They also collectively assist thousands of cities and counties across the country with economic development, workforce training, transportation planning, public infrastructure, affordable housing, disaster prevention, public health, and other community services.

Today, I will address four core issues pertaining to the Economic Development Administration:

1. First, I will explain **the significance of EDA to my community and my region.**
2. Second, I will highlight **the significance of EDA's national impact** on regional development, job creation, and economic growth and competitiveness in communities across the country.
3. Third, I will reiterate the **importance of EDA's planning grants to economically-distressed regions;** and,
4. Finally, I will underscore the importance of **reauthorizing the EDA**, and I will recommend **opportunities for reforms and enhancement** of the EDA that could be accomplished via reauthorization.

I will begin by highlighting the significance of EDA to my community and my region. My organization, the New River Valley Regional Commission, is comprised of 13 local governments and three institutions of higher education. My organization acts as a convener of local and state elected officials, economic development practitioners, business leaders, non-profit organizations, educators, and other stakeholders within a defined region that includes four counties and the city of Radford, Virginia. We serve the region by providing needed services and technical assistance, such as strategic planning, project development and implementation, and access to capital. We also help deploy needed federal, state, and local funds into the region, and we help to ensure compliance, accountability, and the timely implementation of projects.

EDA investments have had a tremendous impact on my region, as they have supported many successful economic development projects, including two that I will highlight today: the Virginia Tech Corporate Research Center, and the New River Valley Commerce Park.

- EDA made one of the first investments into the Virginia Tech Corporate Research Center which specializes in technology transfer from University research. EDA invested \$600,000 in the late 1980's, and also invested \$2 million in 2009 to support a second phase of development. Today, the Virginia Tech Corporate Research Center is comprised of more than 180 private high-technology companies and research centers and employs more than 3,000 people. There are 35 buildings currently in the park, with room for an additional 16 buildings.
- Additionally, the New River Valley Commerce Park is a 1,000+ acre, publicly-owned industrial site located in Pulaski County, Virginia just 30 minutes from Virginia Tech. A \$3 million investment from EDA, along with local matching dollars from eleven local governments helped provide a water line, pump station upgrades, and other infrastructure ultimately allowing one million gallons of water per day to be delivered to the site. The first tenant of the New River Valley Commerce Park is Red Sun Farms, the largest producer of organic tomatoes on the east coast. Today, Red Sun Farms employs more than 100 employees at an average wage of \$13.36 per hour, with a nearly \$23 million capital investment to date at the Commerce Park location. Currently, three new international prospects are considering the site.

EDA's success stories extend far beyond my region. In my role as First Vice President on NADO's board, I work with the executive directors of similar organizations across the country whose regions have also benefitted immensely from job growth and community development brought about by EDA investments. Particularly in economically distressed areas of the country, EDA investments are essential.

This brings me to the second core topic I'd like to highlight for you today: the significance of EDA's national impact on regional development, job creation, and economic growth and competitiveness in communities across the country.

Between FY 2012 and FY 2017, EDA invested over \$1.6 billion in 4,058 projects to help communities and regions build capacity for economic development. In return for this investment, it is anticipated that 277,163 jobs will be created or retained, and more than \$39 billion in private investment will be attracted, according to recipient estimates.

EDA's portfolio of public works, economic adjustment, strategy development, business finance, technical assistance, and research and evaluation programs allow communities to apply for

assistance tailored to fit their unique needs. EDA has developed a strong record in assisting communities struggling to overcome both long-term economic challenges (such as persistent poverty) as well as sudden severe economic adversities (such as plant closures and industry loss). Through its full range of program tools, the agency is positioned to help areas recover from economic downturns, industry and military base closures and realignments, natural disasters, and declines in resource-based industries like coal, fisheries, and timber.

I also want to emphasize that EDA is the only federal agency with the sole mission of helping create high-quality jobs in the United States. And EDA investments are successful in fostering collaborations with the business leaders, and public-private partnerships with industry stakeholders. For these reasons, EDA is uniquely suited to be the lead federal agency driving economic development. EDA has in place the policy, program, and partnership framework necessary to drive federal economic development efforts forward in a strategic, coordinated, and efficient manner. Furthermore, EDA already has in place an “Economic Development Integration” (EDI) team that works across the federal government to align and strengthen programs, and to reduce duplication of federal programs and planning processes. EDA’s integration team also helps to break through bureaucratic red tape and make the most of taxpayer money. EDA’s integration team is yet another example of how EDA is already serving to lead economic development efforts across the federal government. I encourage this committee to support efforts to continue to elevate EDA as the lead agency coordinating all economic development efforts at the federal level.

Another important component of EDA’s investment at the local and regional levels is the Partnership Planning grants given to economic development districts. These grants serve as essential building blocks that are the backbone of successful investment projects, which ultimately lead to job creation and retention in our communities. The products of the planning process also serve as guiding documents for local and state investment. EDA’s network of hundreds Economic Development Districts (EDDs) across the country have decades of experience in implementing strategic economic development planning. Furthermore, EDA and its network of regional offices, integrators, and EDDs across the country are well-positioned to help communities navigate and take advantage of the Opportunity Zones program, along with other new economic development resources, investments, and opportunities as they become available.

Finally, for all these reasons, I stand before you today to encourage you to reauthorize the EDA. In doing so, I ask that you to take advantage of some **opportunities for reforms and enhancement** of the EDA’s programs and impact that could be accomplished via EDA reauthorization.

EDA was originally created by the Public Works and Economic Development Act of 1965. EDA continues to operate from year-to-year through the annual congressional appropriations process, but its last authorization lapsed in 2008. I stand before you today to encourage the committee to support a reauthorization of EDA that would further EDA’s role as a key driver of long-term economic development and growth in communities across the country. I also encourage you to support **an increase in EDA’s annual authorized funding level.**

In tandem with a reauthorization of EDA, I also urge you to support **a modernization of EDA’s role** in helping to bring economically distressed communities into the 21st century. I encourage

you to **elevate EDA as the key federal partner** helping economically distressed and rural communities keep pace with technological advancement, automation, and the economic shifts that occur as a result. Although we all know that technological innovation helps move our nation forward and creates economic prosperity, we also know that these trends are leaving some parts of the country behind and are having a negative impact on many rural and economically distressed communities. EDA has been a key partner in helping these communities develop Comprehensive Economic Development Strategies (CEDS) that facilitate a process of assessing distressed regions' changing economic drivers and helping them refocus their efforts on investing in industries and workforce training efforts that help expand learning pathways and upskill workers to compete in the national economy.

I also want to highlight the importance of the loan services EDA offers for small businesses. EDA's Revolving Loan Fund (RLF) program supports small businesses and entrepreneurs by providing gap financing at or below market rates. The RLF program is particularly beneficial to businesses that might not otherwise be able to borrow capital.

While the EDA RLF program is important and highly beneficial to communities across the country, the reporting requirements associated with it are particularly burdensome. Currently, EDA RLF awards stay in federal control in perpetuity. As a result, recipients are required to comply with extensive federal reporting and audit requirements indefinitely, even if those funds were first capitalized decades earlier. In order to remedy this issue, ownership of EDA RLFs should be fully transferred to the local intermediary within a specified number of years after final disbursement of the grant (seven years is the suggested duration). This is a standard protocol by which other federal agencies' RLF programs operate. I encourage the committee to support efforts to **reform EDA's RLF** in this manner.

As Congress considers proposals to rebuild our nation's infrastructure, support economically distressed and rural communities, facilitate disaster recovery, and invest in drivers of economic growth, EDA remains a strong resource to assist in these endeavors. EDA has a strong record of success and has been an essential partner, and I encourage you to **support reauthorization and continued funding for the agency.**

Thank you again for the opportunity to address the subcommittee today, and I look forward to answering your questions.