



Ohio Economic Development Association
17 South High Street, Suite 200
Columbus, OH 43215
Phone: 614-545-8258 or 614.221.1900
Fax: 614-221-1989
Email: jwallace6@woh.rr.com

PRESS RELEASE

Contact: J.C. Wallace, OEDA, (614) 545-8258

Ohio Economic Development Association Supports Senate Bill to Keep Jobs and Attract New Jobs to the State

Columbus, OH, November 25, 2008 -- The Board of Directors of the Ohio Economic Development Association (OEDA) voted unanimously to support Ohio Senate Bill 376 to address the problems that have arisen from the recently enacted prevailing wage guidelines issued by the Ohio Department of Commerce. These Guidelines will make it more difficult for Ohio's economic developers to assist companies that want to create and retain jobs in the State because companies will be required to pay higher construction costs if they receive only small amounts of State and local assistance. As part of Bill 376, prevailing wages would still be paid on public infrastructure, but prevailing wages would not be paid on private investments that receive 35% or less of public funding.

"A survey of the OEDA membership, who include over 300 county, city and private sector economic developers from across the State of Ohio, revealed that 96.6 percent of the members believed these Guidelines will have a negative effect on job creation and retention in the State," said Mr. Nate Green, incoming President of the OEDA. "Our members are very concerned that companies will choose to locate in other States. Even more importantly, in this difficult economy, many Ohio companies are downsizing and consolidating, and adding additional costs to new developments may result in the lose of existing jobs to the State."

In testimony last week before the Senate Finance and Financial Institutions Committee, Eric Phillips, CEO of the Union County Chamber of Commerce stated, "We have identified four projects that could be immediately impacted by the new prevailing wage guidelines. These projects involve hundreds of jobs. We are working hard to attract and keep every job we can and our Chamber Board believes that now is not the time to increase costs on those who want to invest in Ohio. Ohio needs to become more competitive, not less."

Kimberly Coyner, the Warren County Economic Development Director, testified that, "We are deeply concerned about how the new prevailing wage guidelines will affect privately funded investment that creates much needed private sector jobs. This legislation will provide clarification to a confusing policy and will give us the best chance to stimulate job investment and growth for the State."

Gus Comstock, the Economic Development Director from the City of Delaware, provided the Senate Finance Committee with information on six projects that might not have invested in Delaware had the current Guidelines been in place and also spoke of a number of pending projects that may be effected. He said "We operate in a dynamic, free market economy, and if the State is serious about "turning around Ohio" then this issue must be examined carefully and thoughtfully."

Chris Xeil Lyons, Economic Development Specialist with for the City of Hamilton testified that "The new guidelines have a direct impact on Southwest Ohio. If given the choice between the hurdles presented by doing a prevailing wage project and the ability to have projects that are easy, fast tracked and cost effective in neighboring states like Kentucky and Indiana, Southwest Ohio stands little chance."

In last Sunday's Columbus Dispatch Editorial, the Dispatch editors stated "applying prevailing wage requirements excessively would hurt union workers as much as anyone else. If developers give up on trying to do business in Ohio, there will be fewer jobs for all workers, union and non-union."

"It is my hope that the Administration will withdraw the Guidelines and sit down with all of the interested parties so that we can approve legislation and rules that will be clear and that will not put Ohio at a competitive disadvantage," states Senator Carey, Republican from the 17th Senate District and Chair of the Senate Finance and Financial Institutions Committee.

"We are very encouraged that the Senate Finance Committee is considering a legislative solution to this very important issue," says Mr. J.C. Wallace, the Executive Director of the OEDA. "The members of the Committee are asking the right questions and appear to have a very good understanding of the implications of the recently enacted guidelines. We are hoping that there will be action soon on this Bill so that we don't lose jobs now and into the future."

Mr. Green concludes, "Sen. Carey's legislation is a logical approach to prevailing wage that allows for public and private funding to co-exist in a development

project without making the project economically unfeasible. Our local economic developers are very concerned about this issue and we hope that their opinions will be heard. We also know that many of our State legislators are very concerned about the jobs situation right now in Ohio and are becoming more aware of the effects of these guidelines on current and potential projects in their districts. So we are very grateful that Senator Carey and Senator Harris are taking a leadership role in helping to bring a resolution among all parties and we hope that reasonable legislation can be passed in the very near future!”

More information about OEDA is available by visiting the organization’s website at www.ohioeda.com. For more information on the OEDA’s position on this issue, please contact Mr. J.C. Wallace at jwallace6@woh.rr.com or by phone at 614-545-8258.