

Statement of the Assistant Secretary for Economic Development

It is a pleasure and honor to report to Congress the accomplishments of the U.S. Department of Commerce, Economic Development Administration (EDA) for Fiscal Year 2018. This fiscal year was marked with significant achievements and successes that can be attributed to the vision of the local communities in which EDA invested.

EDA helps create the conditions for economic growth by supporting locally-devised plans to spur business investment in communities at every step along their development path. From planning to project implementation, EDA facilitates the economic transformation of communities across the country.

EDA facilitates long-term growth strategies for communities and businesses through collaboration, providing a framework for discussion among all stakeholders. Strong collaboration among public and private sector actors helps communities and regions best assess their competitive strengths and design strategies to attract job-creating private investment.

In Fiscal Year 2018, EDA invested approximately **\$383.1** million in **662** locally-driven economic development projects nationwide. These investments included approximately \$147.2 million in Public Works and Economic Adjustment Assistance construction projects that communities identified as critical infrastructure enhancements necessary to ensure their long-term competitiveness. Of great importance, these EDA investments incentivized over \$173.1 million in local matching investments. Grantees expect these investments will help create or retain approximately **31,349** jobs and generate close to **\$3.5** billion in private investment.

EDA also supported economic development planning that helped communities make informed decisions on the best way to achieve economic growth. In FY 2018, EDA made 332 awards to regions and communities, providing them with close to \$38 million to develop such plans.

EDA also focused on effectively delivering \$587 million that had been appropriated to the agency by Congress to support local plans to recover – and grow back stronger – following major disasters that occurred in 2017. Many projects funded with these supplemental disaster funds began to be awarded in FY 2018 and EDA has continued to award these funds into FY 2019. EDA coordinates regional disaster recovery efforts in partnership with its extensive network of 391 Economic Development Districts, 52 Tribal Partnership Planning organizations, University Centers, institutions of higher education, and other organizations working to assist those in designated impact areas.

EDA supports President Trump's Opportunity Zone incentive, which was created under the 2017 Tax Cuts and Jobs Act. Opportunity Zones help stimulate economic development and job creation by encouraging long-term investments in low-income neighborhoods, an incentive naturally aligned with EDA's mission.

To assist communities that are interested in benefiting from this incentive, EDA adapted our [2018 Notice of Funding Opportunity for Public Works and Economic Adjustment Assistance Programs](#) to ensure entities within qualified Opportunity Zones were eligible for EDA funding.

Further, most recently, EDA added Opportunity Zones as one of our investment priorities, focusing prospective grantees' attention on projects in Opportunity Zones, and making such projects more competitive in EDA's merit-based selection process.

The Opportunity Zone incentives have the potential to directly impact the lives of approximately 31.3 million Americans across Opportunity Zones across all 50 states and the District of Columbia – or roughly 10 percent of the country. An additional 3.7 million people reside in Opportunity Zones in five U.S. territories. Since FY 2018, EDA has invested close to \$30 million in 40 projects in Opportunity Zones.

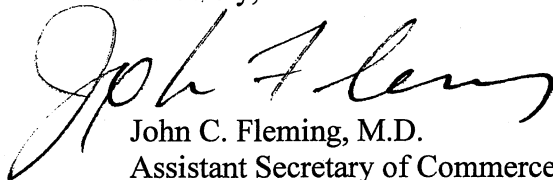
In addition, EDA leads the Federal Government's efforts to better integrate economic development resources from all sources, including federal, state, local and philanthropic, to achieve better outcomes for communities across America, including those in Opportunity Zones. A more integrated suite of economic development resources from across all federal agencies better facilitates community interaction with the Federal Government and helps communities implement their plans in a more effective way. Increased coordination across funding programs is also expected to result in a higher return on investment for federal resources included in these projects.

EDA is an effective steward of taxpayer dollars:

- Based on historical averages, every \$1 of EDA infrastructure funding helps to generate about \$15 in private investment.
- EDA investments are matched, on average, 1-to-1 in local investment.
- EDA infrastructure projects help to create and retain jobs at a historic average cost of about \$13,500 per job.

EDA is proud of the work it has done to move the economy forward and of the contributions it has made to help improve the Federal Government partnerships with its stakeholders.

Sincerely,



John C. Fleming, M.D.
Assistant Secretary of Commerce
for Economic Development