

**ORAL REMARKS BY MAYOR THOMA
FOR SENATE EPW HEARING ON EDA REAUTHORIZATION**

Thank you, Mr. Chairman, Ranking Member Isakson, Senator Inhofe and members of the subcommittee, for the opportunity to testify today in support of the Economic Development Administration.

My name is Larry Thoma. I am the Mayor of Elgin, a small city in southwest Oklahoma located just north of the Lawton-Fort Sill community. I am also the Immediate Past President of the Oklahoma Municipal League.

My main point today, Mr. Chairman, is that EDA is an essential funding resource and partner for small towns and rural communities across the United States that are working on long-term regional and local economic development strategies and projects.

Without the gap financing and seed capital for infrastructure projects, our economic development blueprints would never move off the drawing board. We have truly benefited from the great staff at EDA, especially with the Austin Regional Office and their Regional Director Pedro Garza. These folks are great public servants who understand the needs of our nation's rural communities.

In addition to its valued project funding, EDA provides vital matching funds for a national network of Economic Development Districts, such as the Association of South Central Oklahoma Governments in my region. These multi-county organizations provide our small communities with much needed staff support and economic development know-how.

Let me use my couple of minutes to give a first hand story of how EDA helps small cities like Elgin, Oklahoma. I believe examples such as ours are one of the reasons that Senator Inhofe is seeking a multi-year reauthorization of EDA in his legislation S. 3264.

In our region, Lawton is the primary commerce hub and job center with a population of more than 90,000, yet many people chose to make their home in surrounding communities such as Elgin where we have a low crime rate, an excellent school system and a small town atmosphere with large city amenities nearby.

Due to the military realignment process, Fort Sill in our area is expected to gain another 10,000 people in the next couple of years. As a result, Elgin is also planning to see a major surge in our population. This presents both great opportunities, as well as challenges from a local government perspective.

Within the economic development arena, we are building the Fort Sill Industrial Park in Elgin. The park has great access to an interstate, state highways and a rail line. It even has a live-fire artillery range, which is important for attracting military service firms working with Fort Sill.

With EDA's assistance, this property will soon become one of the largest economic development projects in southwest Oklahoma. BAE Systems already occupies a recently constructed building in the park.

Plans are being finalized for construction of a much larger facility that the company plans to start leasing in October 2009. The buildings and facilities are expected to cost in excess of \$21 million, and BAE Systems plans to invest another \$9 million in specialized equipment.

Within the first 36 months of operation, the firm plans to employ at least 41 people with an estimated annual payroll of \$1.7 million. They will continue to hire incrementally until they reach their production capacity with a total workforce between 150 and 200.

These numbers may not raise eyebrows in large metropolitan areas, but for a rural community with 1,210 residents, this is a significant development and represents unprecedented economic growth.

Without EDA's public works and planning funding, Elgin couldn't even consider shouldering the costs for a project like this by ourselves. We also couldn't implement a project like the Fort Sill Industrial Park without the technical and organizational support provided by the Association of South Central Government (ASCOG), the Economic Development District for our area.

As with any project, planning is the key to any successful endeavor. But, it also takes experts to implement the plan. Elgin lacks sufficient revenue to hire a full-time city manager, maintain an adequate staff responsible for grant activities or hire a project manager for the development of an industrial park.

EDA and its local planning partners are critical to small metropolitan and rural America. We must continue to invest more resources in these importance institutions.

EDA remains the only federal agency with the exclusive mission of promoting private sector growth in rural and distressed areas. Without EDA assistance, areas such as ours will continue to experience an even greater disparity with larger communities who have the tax base, institutional know-how and financial resources to develop the infrastructure required, expected and demanded by private companies.

Even when small communities have the ideal site like Elgin enjoys, we still need additional assistance through programs like EDA to ensure a legitimate opportunity for competing in today's economic markets.

In conclusion, I would be remiss if I did not address the bigger picture. Beyond the urban-rural, affluent-distressed issue is world competition. Continued and improved EDA funding is essential to help our small metropolitan and rural communities compete, both nationally and internationally.

If America does not adequately invest for our future, our children and grandchildren will never enjoy the America that we all know and love. Jobs and trade continue to leave for foreign markets at an alarming rate. Communities such as Elgin are proving that with the proper strategic planning, local leadership, intergovernmental partnerships and community infrastructure improvements, we can compete on the global stage.

I urge this committee and the Congress to fully fund the U.S. Economic Development Administration and to adopt a five-year reauthorization bill to provide the stability and policy direction needed for EDA.

Thank you again, Mr. Chairman, Senator Inhofe and members of the committee, for the opportunity to testify today. I would welcome any questions.