

# **Increasing our Nation's Value through Economic Support and Tourism (INVEST) in Our Communities Act**

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**Background:** Congress established the Economic Development Administration (EDA) in 1965 with the Public Works and Economic Development Act (PWEDA, P.L. 89-136) to alleviate conditions of substantial and persistent unemployment in economically distressed areas. The EDA provides grants for projects through a variety of programs, including planning, technical assistance, public works, economic adjustment, trade adjustment assistance, and multiple innovation challenges.

Between FY2012 and FY2021, the EDA invested nearly \$5.3 billion in 7,921 projects across the country. Estimates show this funding will contribute to the creation of 503,111 jobs and more than \$85.6 billion in private investments.

Over the years, the needs of communities across the country have changed, especially following the economic downturn that resulted from the pandemic. The INVEST in Our Communities Act will help regions address economic development challenges of the 21<sup>st</sup> Century through the following programs:

## **Hospitality and Outdoor-Recreation Supporting Tourism (HOST) Grants.**

During the pandemic, unemployment in areas tied to the travel and tourism sectors reached record highs, including as high as 33% in Southern Nevada. As these industries continue to recover, it is important to ensure communities have the resources they need to build resiliency to future economic uncertainties.

The bill authorizes a new HOST Grant program, through PWEDA, for investments in broadening and strengthening tourism, hospitality, events, and outdoor recreational industries, including: 1) short- and long-term economic development planning; 2) assistance to businesses impacted by natural disasters; 3) tourism marketing and management, including information sharing for visitors; and 4) workforce training programs.

The program, authorized at \$100 million annually through Fiscal Year 2027, includes a 40% set-aside for outdoor recreation activities, including infrastructure to improve accessibility to outdoor recreation such as trails, boat ramps, and access roads.

Finally, the bill provides a clarification of Congressional intent that tourism marketing is an economic development tool used by communities for economic development and should be considered an eligible and effective use of EDA funding, especially for Destination Marketing Organizations (DMO).

## **Capacity Building**

Pre-development activities allow communities to analyze the feasibility of a project and, most importantly, whether costs justify the means. This phase of the economic development process creates one of the most significant barriers to smaller communities as they do not often have the same resources as larger metropolitan areas. The bill authorizes a new Capacity Building Grant Program under the Public Works and Economic Development Act to assist communities with predevelopment activities, including: 1) developing and carrying out a comprehensive economic development strategy; 2) hiring qualified economic development professional or services for up to 3-years; and 3) conducting community asset mapping.

**Cost-Sharing**

Currently, for the main programs under the Public Works and Economic Development Act (PWEDA), the EDA can provide at least a 50 percent federal match, though it has the flexibility to increase that rate to a maximum 80 percent share based on a multitude of factors within a jurisdiction, including the level of economic distress. Especially following a disaster, communities of all sizes experience a strain on resources that limit their ability to access optimal EDA funding. The INVEST in Our Communities Act increases the maximum federal cost-share under PWEDA to 90 percent, and eliminates local match requirements for communities impacted by disasters.

**Supporting Organizations**

Las Vegas Global Economic Alliance; RV Industry Association; U.S. Travel Association; Booking.com; Exhibitions & Conferences Alliance; National League of Cities; National Association of Regional Councils; Rural Community Assistance Partnership; American Indian Alaska Native Tourism Association