

OHIO'S ELECTRIC COOPERATIVES CURRENT



Ohio River Site Awarded Nearly \$3 Million in Grant Funding

The 60-acre riverfront Powhatan #7 industrial site in Monroe County, Ohio, was recently awarded a \$1,515,725 Maritime Assistance Program grant from the Ohio Department of Transportation. An additional \$1,212,580 in funding from Ohio's Rural Industrial Park Loan Program was awarded to advance a \$3 million infrastructure development project.

Powhatan #7 is a rare road-river-rail site.

Powhatan #7 is one of a handful of sites where river, rail and highway intersect in Ohio. Powhatan has the added advantages of flat topography, space for a mile-long rail siding, and excellent truck access along Ohio Route 7 to St. Clairsville/Wheeling (I-470/I-70).

This uncommon triple transportation offering is especially attractive to manufacturers and companies operating in petrochemicals, plastics, metals processing, and other energy intensive industry sectors. Those users can benefit greatly from the region's abundant and inexpensive natural resources and proximity to key shale development facilities. Powhatan #7 is located in an Opportunity Zone and Enterprise Zone and has a TIF that could be utilized.



“Powhatan is uniquely well positioned. It has access to abundant natural resources and multiple transportation opportunities, and it’s close to other industrial users. With the new grant funding, we’re excited to begin adding the infrastructure needed so this site can be shovel-ready for development,” says Jason Hamman, director of Monroe County Port Authority.



Ohio Maritime Assistance Program funds improvements to Powhatan #7’s barge facilities.

In 2019, the Ohio General Assembly enacted the Ohio Maritime Assistance Program (MAP) to spur development of projects that increase cargo handling on Ohio’s waters. MAP is the first significant source of Ohio Department of Transportation (ODOT) funding dedicated exclusively to water-based freight infrastructure.

Powhatan #7 has 10 existing barge cells. The MAP grant will cover replacement of three barge cells and repair work on five others. Work is expected to begin during the third quarter of 2021.

Rural Industrial Park Loan will fund industrial access road.

The Ohio Rural Industrial Park Loan (RIPL) program promotes economic development in eligible rural areas by providing low-interest direct loans to assist in financing the development and improvement of industrial parks and related off-site public infrastructure improvements. At least 50% of the outstanding loan balance will be forgiven upon successful completion of the project.

The \$1,212,580 funding from RIPL for the Powhatan #7 site will pay for construction of an industrial access road.

Engineering studies prepared for one-mile on-site rail spur.

Ohio Southeast Economic Development, the JobsOhio network partner serving 25 counties in southern, eastern, and southeastern Ohio, provided a grant of \$15,862 to complete engineering studies for a potential one-mile rail siding that would run the length of the Powhatan #7 site.

Paul Jeffers, industrial development manager for Norfolk Southern, says, “As a rule of thumb, rail makes sense on freight that needs to move more than 500 miles, that’s when rail gets more competitive than truck. Rail gives potential users of the Powhatan site the opportunity to economically reach additional customers by rail, to access export markets, or to receive raw materials at a lower cost.”

A shortline railroad operated by Katahdin Railcar Services (KRS) connects Powhatan #7 to the Norfolk Southern system five miles away at the Clarington, Ohio, connection point. KRS operates the 12-mile railroad in Ohio that interchanges with Norfolk Southern and provides rail switching services for Long Ridge Energy Terminal, located in Hannibal, Ohio.



Jeffers notes that the Norfolk Southern system includes 19,500 route miles of mainline point-to-point track, with more than 250 shortline connections serving 22 states mostly east of the Mississippi River, plus Washington, D.C.

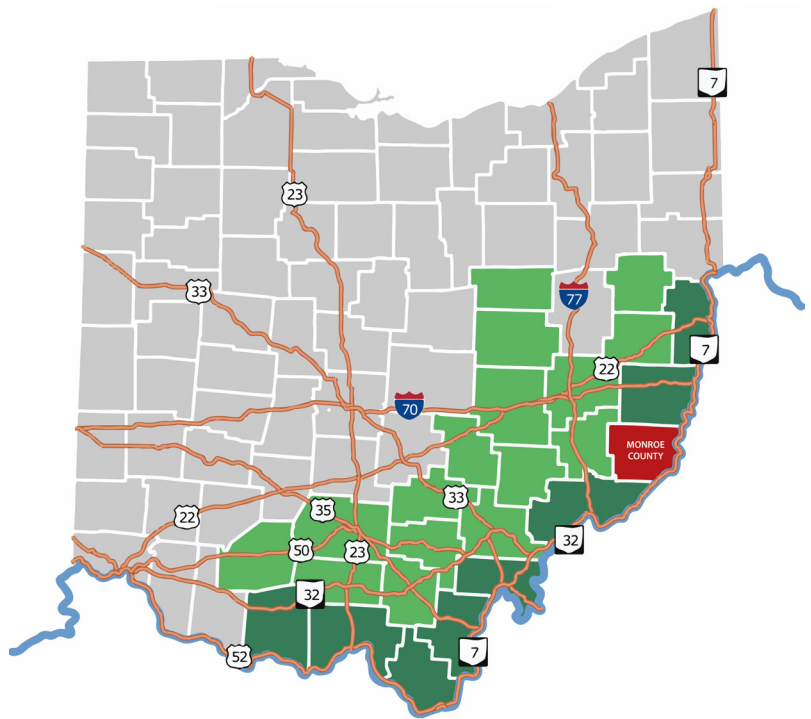
Powhatan #7 is located within an EPA air quality attainment zone.

Monroe County is an attainment county for the six categories of air pollutants monitored within the Clean Air Act's National Ambient Air Quality Standards (NAAQS). This attainment status is especially important for manufacturers seeking air emissions permits.

Economic development grants supported due diligence and advanced site readiness.

Several economic development partners have supported the due diligence work completed to date on Powhatan #7:

- Ohio Southeast (formerly known as APEG) granted \$6,570 to perform the wetlands delineation, endangered species assessment, and cultural resources literature review. The Phase I ESA was completed, and a Phase II ESA was not indicated.
- JobsOhio supported a comprehensive site study through which all previously conducted due diligence studies were reviewed. A geotechnical study, cultural resources field work, and utilities assessment were also completed. This work totaled \$59,407.
- Kyle Heavrin, director of energy services and business development for South Central Power Company (SCP), requested a matching grant from Ohio's Electric Cooperatives' (OEC) Site and Community Assistance Program to provide the Monroe County Port Authority \$12,500 to assist with developing the Powhatan #7 site. Heavrin says, "The OEC and SCP funds were used to conduct the comprehensive barge cell inspection and to evaluate the feasibility of using helical pile foundations to support a 100,000-square-foot speculative building. The barge repairs will now be completed with Maritime Assistance Program funding. The feasibility study confirmed the viability of using helical piles to support future buildings above the 100-year flood plain."



The 10 Ohio River counties served by Ohio Southeast are home to 14 river terminals that offer loading and unloading services. Ohio Southeast serves the 25 Ohio counties shaded in green. The Powhatan #7 site is located in Monroe County. Map courtesy of Ohio Southeast.



Local electric cooperative serves energy-intensive loads

"South Central Power is very familiar with serving energy-intensive loads in the oil and gas industry, and we welcome the opportunity to serve any type of load at the Powhatan #7 site," says SCP's Heavrin. SCP is a member-owned electric cooperative serving nearly 120,000 residential, commercial, and industrial customers in 24 Ohio counties, including Monroe County. Heavrin adds, "We are proud to support our economic development partner organizations and the communities we serve throughout SCP's service territory."



OhioSE
ECONOMIC DEVELOPMENT

Regional Economic Prosperity Plan focuses Ohio Southeast's economic development efforts.

In 2019, the Appalachian Partnership, Inc. and Ohio Southeast Economic Development embarked on the first-ever regional economic development strategic planning process for Ohio Southeast's 25-county service region. Thirty-six work sessions were hosted across the region, involving 453 stakeholders and partners, including 194 business leaders.

The resulting **Prosperity Plan** was generated at a grassroots level and enables the region to speak with one voice, with the goal of garnering resources and attracting targeted "best fit" industries based on sound data and alignment to the Ohio Southeast region's strengths for supporting industry success.

Manufacturers thrive in Ohio Southeast region.

"Manufacturers and processors enjoy the cheapest energy in the country thanks to the Utica and Marcellus Shale plays, along with excellent freight options, uncongested four-lane highways, two interstates, two Class 1 railways, and Ohio River access," says Donna Hrezo, site selection manager for Ohio Southeast.

The targeted industry sectors identified in the Ohio Southeast Economic Development Plan include:

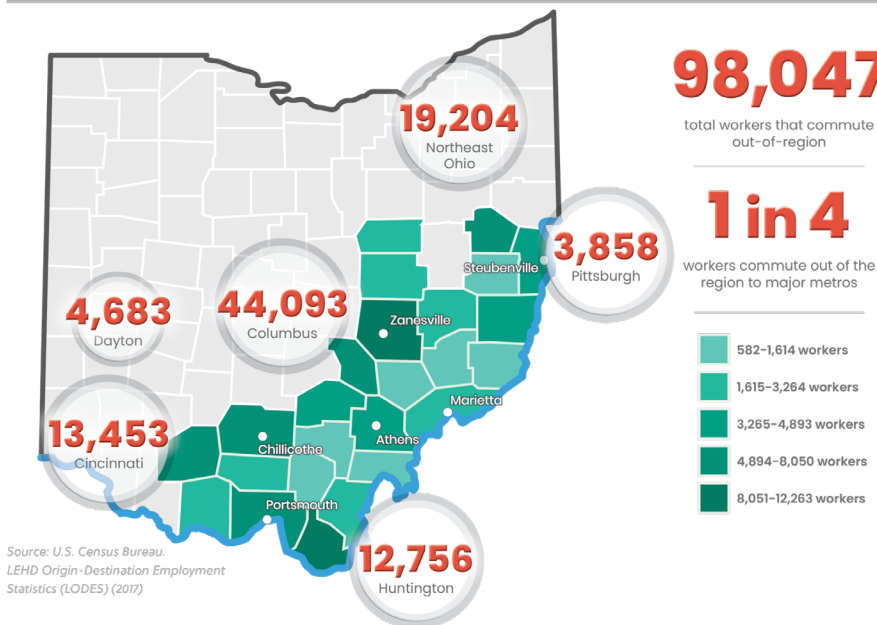
1. Energy production, petrochemicals, and polymers
2. Wood and paper products
3. Metals production, processing, and fabrication
4. Food manufacturing
5. Logistics, distribution, and back office operations
6. Automotive components, heavy truck manufacturing, and aerospace



Ohio Southeast is a manufacturing region with a skilled labor surplus.

Manufacturers benefit from a workforce with a deep history of manufacturing and a documented skilled labor surplus. Hrezo notes that one in four workers commute outside the region to metro areas. Companies can be assured of a skilled work force with the region's 20 university, college, and community college campuses and 11 adult vocational training facilities. See graphic on page 5 for details.

OUT-OF-REGION COMMUTING WORKERS



ODOT study reveals Ohio River barge transportation saves \$545.1 million annually.

ODOT completed The Economic Impacts of Ohio River Maritime Activity on the State of Ohio study in December 2019. The study calculated the cost of using alternative modes—rail and truck—compared to the total barge cost to identify the state-wide transportation cost savings.

The cost savings of barge transportation over truck and rail for the 41.2 million tons of cargo shipped/received via the Ohio River in 2018 is estimated at \$545.1 million annually.

Additional findings (based on 2018 data) include:

- 41.2 million tons of cargo moved via the Ohio River terminals located within the state of Ohio.
- 101,382 jobs in Ohio are in some way related to the cargo moving via the marine terminals located on the Ohio River.
- Of the 101,382 jobs, 10,896 are directly generated by the marine cargo and barge activity at the river marine terminals.
- Of the 10,896 direct jobs, the largest employers are categorized as dependent shippers/consignees (including utility companies, steel processors, and polymer manufacturers), followed by terminal operators, the trucking industry serving the ports, followed by jobs in maritime services.
- The six coal-fired operating power plants located along the Ohio River within the state generate 9,991 MW, or 39.7% of the state's total generation capacity. The ability of these power plants to receive coal by barge have allowed for continued low-cost power generation.
- Coal has the second-largest direct employment impact in terms of commodity groups. Fertilizer and chemicals (including jobs with polymer companies) generated the largest number of direct jobs, tallying 3,022 of the 10,896 jobs.



For more information about the Powhatan #7 site and others served by Ohio's Electric Cooperatives, contact **Dennis Mingyar** at (614) 430-7876 or dmingyar@ohioec.org.

Additional resources:

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Look for Us:

**Industrial Asset Management
Council (IAMC) Spring Forum**
April 24-28, 2021
Fort Worth, Texas

**Site Selectors Guild Annual
Conference**
June 10-12, 2021
Orlando, Florida

**National Rural Economic
Developers Association (NREDA)
2021 Annual Conference**
November 10-12, 2021
Louisville, Kentucky

Buckeye Power and Ohio's Electric Cooperatives can help with:

- Comprehensive site and building portfolios
- Preliminary site studies
- Site search tours
- Assistance in identifying financial incentives
- Electric rate analyses
- Community profiles
- State and local government contacts
- Contractor introductions

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