

2018 NORTHEAST PETCHEM CONFERENCE

# EASTERN OHIO: THE NEW PETROCHEMICAL HUB

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June 2018



# PTT Update

- PTT Global Chemicals partnering with Daelim Industrial Co. of South Korea on project, scale now comparable to Shell project under way in Beaver County.
- PTT now controls roughly 500 acres of Belmont County property after acquiring 350 acres from Ohio-West Virginia Excavating. PTT previously purchased 150 acres from First Energy Corp.



# PTT Update

- To date, JobsOhio has awarded \$17 million in grants to assist with PTT site prep.
- Final investment decision still expected before the end of 2018.



# Why Consider Eastern Ohio?

- Over top of ***Utica Shale*** and next door to the ***Marcellus Shale***
- Region is the nexus of cryogenic plants and pipelines
- Oil and gas investment in region has topped \$60 billion
- Great market access by highway, rail & barge
- Taxes, wage rates, and utility costs below national and regional averages
- Ohio rated 3rd Best State Business Climate – Site Selection Magazine 2016



# Why Consider Harrison County?

- Rover, Utopia, Marathon/Mark West Cornerstone pipelines connect all plants to Canton refinery
- Harrison County is the “grand central station” for processing gas and shipping it to end users



# Why Consider Harrison County?

- County is poised for growth, residents want to grow and are major supporters of oil and gas activity
- County sees oil and gas as a second chance to make region and entire state robust and a powerhouse
- County can offer feedstock to cracker plants, hopefully multiple
- County is actively identifying large tracts of land for future development and working on master water and sewer plan



# Why Consider Harrison County?

- MarkWest has made major investment in Harrison County and additional investments are expected
- County's economy finally recovering from downturn in coal industry and could soon be home to a new gas to power plant



# Site Development Work Continues

- Brownfield property up and down the Ohio River and in several inland counties is being redeveloped to ensure sites are available for potential PTT customers
- Riverfront properties include: the Yorkville Energy Services Terminal (Jefferson County); MCPA Clarington Site (Monroe County); Long Ridge Energy Terminal (Monroe County)
- Inland county sites are Eastern Ohio Regional Industrial Park (Belmont County), ORC property (Belmont County), Harrison County Industrial Park (Harrison County)



# SAMPLE SITES

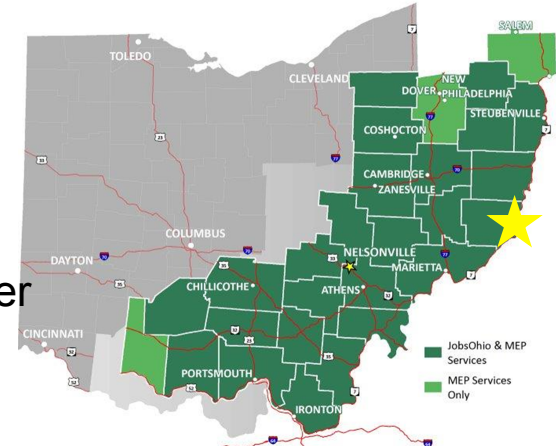
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# Long Ridge Terminal

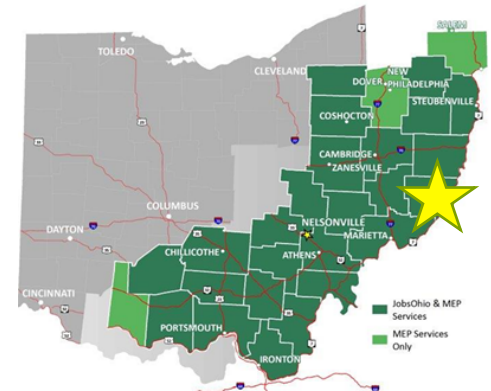
## Hannibal, OH

- 250 developable acres, nearly 900 surrounding buffer acres
- Adjacent Hannibal Industrial Park has an additional 120 acres
- Former Ormet Aluminum Smelter facility in process of being demolished
- Proximity to Eureka Hunter gathering pipeline, Blueracer Fractionator and multiple interstate gas transmission lines
- Shortline rail service
- Enough electrical capacity to power a large city
- The site has its own water treatment plant that can treat 7 million gallons of water per day and a Raney well that can provide up to 2 million gallons of water per day
- Two harbors can dock up to 48 barges



# MCPA Clarington Site

## Clarington, Monroe Co., Ohio



46 acres

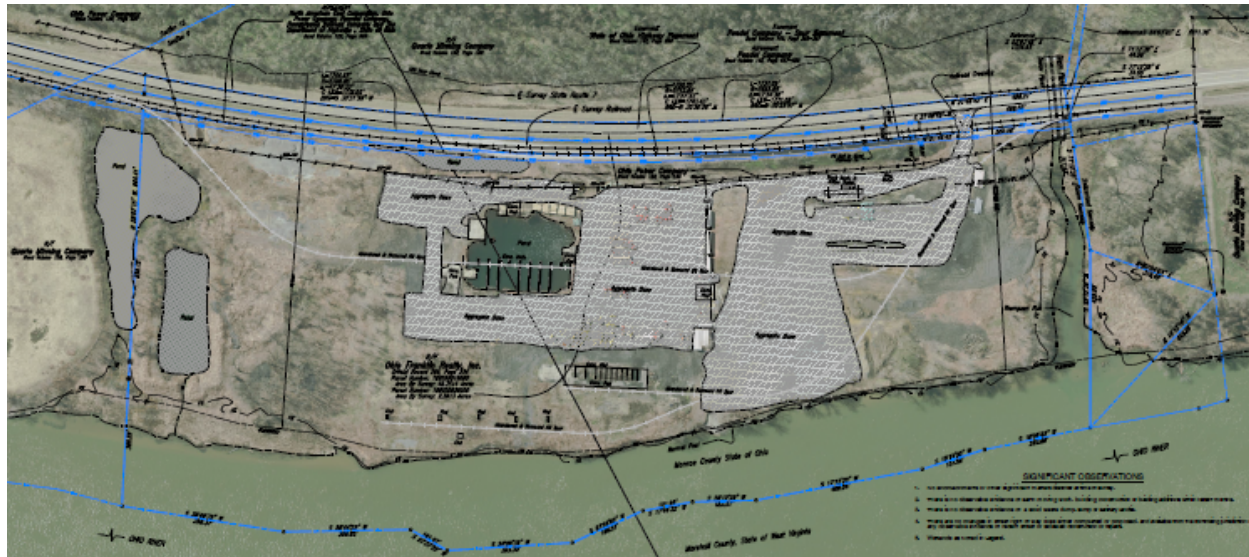
Ohio River access

Rail on site

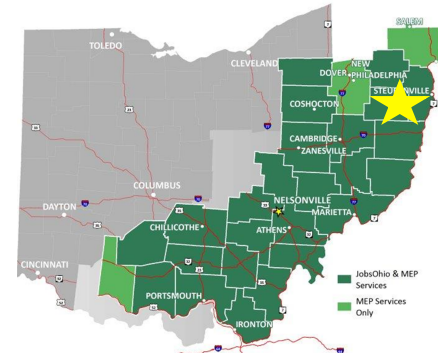
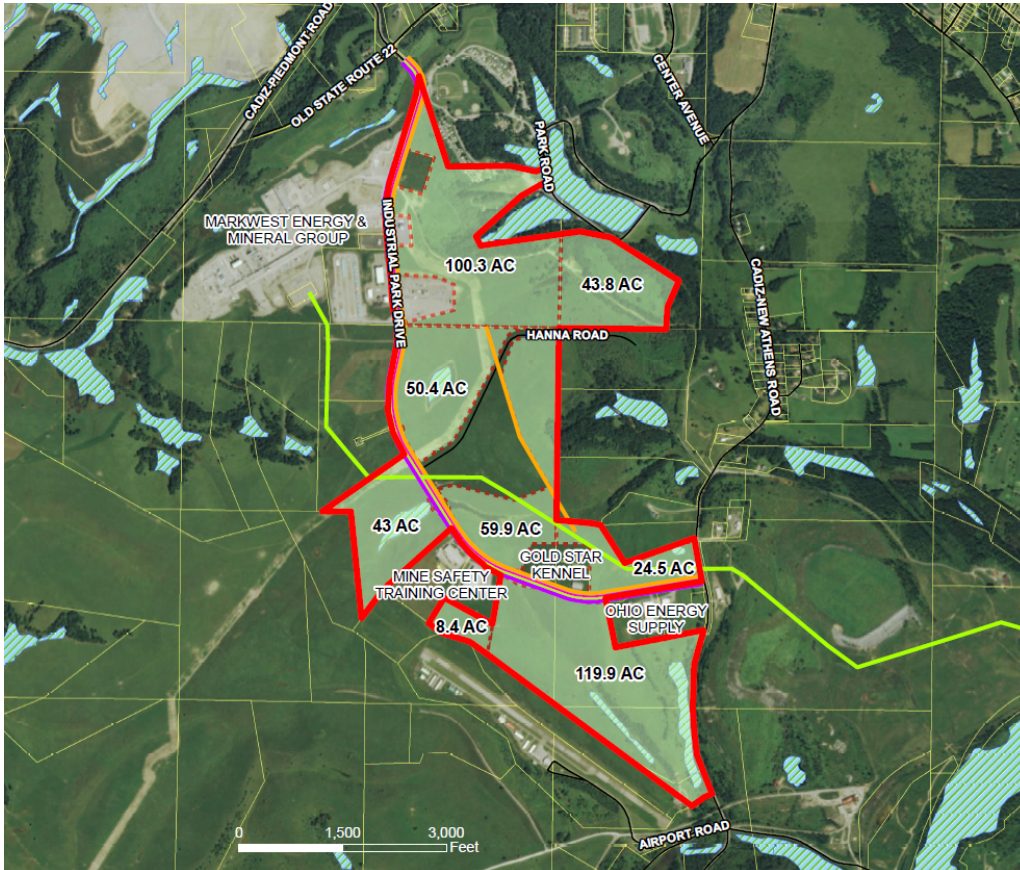
Near Blueracer  
fractionator and  
underground NGL  
storage

ESA Phase II complete

Due diligence studies  
done



# Harrison County Industrial Park Cadiz, Ohio



Publicly owned industrial park

Sites from 5 to 100 acres

\$25,000 per acre

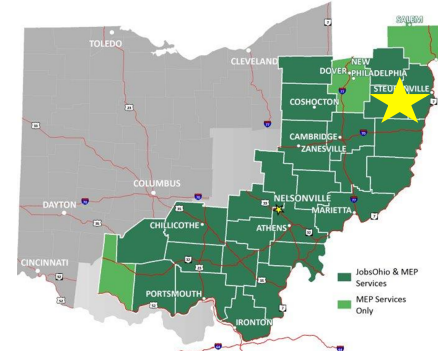
Close proximity to U.S. Route 22, 50 miles to Pittsburgh Airport

Near MarkWest cryogenic gas processing plant

Near transmission pipelines



# Yorkville Energy Terminal, Jefferson County Ohio



56 acre site

Zoned industrial with  
dual rail service

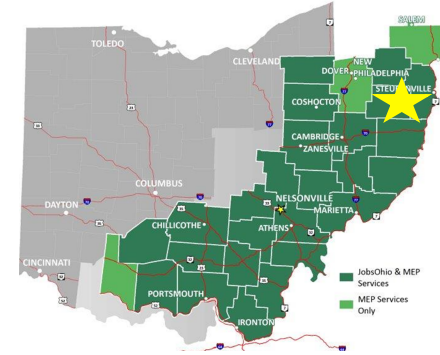
Close promising to Ohio  
Route 7, Interstate 70

Property has existing  
permitted barge dock

Site has ample utility  
services in place



# EORIP Barnesville Belmont County Ohio



Located 3 miles east of  
Interstate 70 and 25  
miles from Interstate 77

Site has 50 acres

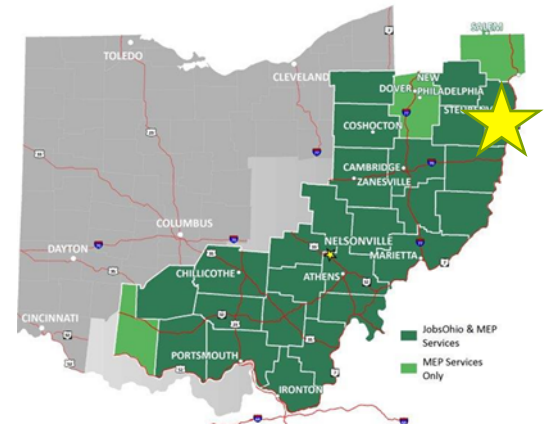
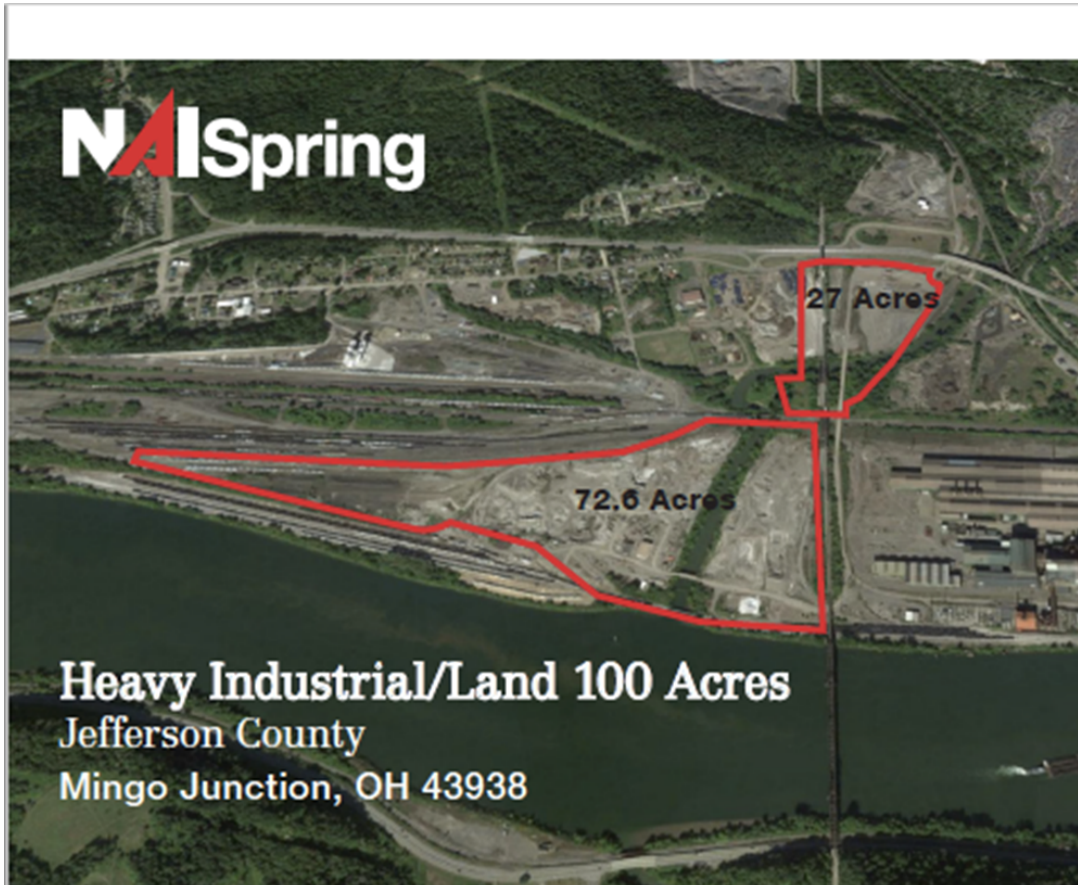
Ample utility service is  
available

Nine pads for  
development will be  
ready by end of 2019



# Mingo Junction South Site

## Mingo Junction, Jefferson Co., Ohio



100 acres

Dual rail service

Ohio River Access

Industrially zoned

# Ohio River Rail Improvement Project

- Ohio Rail Development Commission has received a \$16 million federal grant
- Grant will fund capacity improvements to rail yards in Mingo Junction (Jefferson County) and Martins Ferry (Belmont County)
- Norfolk Southern will repair 30 miles of mainline between Dilles Bottom (Belmont County) and Mingo Junction
- Project will ensure the rail portion of the region's multi-modal freight transportation network is efficient and reliable for potential rail traffic growth



# Broadband Development Project

- Ohio Senate Bill 225 would establish and fund broadband development in Appalachian Region of state
- High speed broadband is a critical infrastructure issue that impacts economic development and education in the region
- Grants of up to \$5 million will be available
- Total request for funding is \$50 million



# Related Developments

- Ongoing development of gas-fired power plants (Harrison, Guernsey and Monroe counties)
- Gas-fired power plant up and running in Carroll County with construction under way in Columbiana County
- Renewed efforts to complete Columbus-Pittsburgh corridor, potential new highway to connect two powerful markets



# Ohio's Pro-business Tax Climate

## Lowest Business Taxes in Midwest

- NO** Corporate Profits or Income Tax
- NO** Tangible Personal Property Tax
- NO** Inventory Tax
- NO** Tax on products sold outside of Ohio
- NO** Tax on machinery and equipment investments
- NO** Tax on R&D Investments

KPMG & Tax Foundation  
Report:

**Ohio was rated  
6<sup>th</sup> best state for  
New Capital-  
Intensive  
Manufacturers  
and 8th best  
state for Mature  
Firms**

"State Tax Costs of Doing Business,"  
KPMG Location Matters Report 2015



# Single, Low Rate Business Tax

Ohio's  
Commercial  
Activity Tax  
is the state's  
**ONLY**  
business tax  
-- 0.26%

**NO TAX**  
on first  
\$1 million  
in taxable  
gross  
receipts

**NO TAX**  
on products  
sold to  
customers  
outside of  
Ohio



# Economic Development Incentives

|  |  |
|--|--|
| <b>Tax abatements &amp; Credits</b>                            | <ul style="list-style-type: none"><li>▪ Refundable tax credit applied toward a company's commercial activity tax (CAT) liability</li></ul>   |
| <b>Economic Development Grants</b>                             | <ul style="list-style-type: none"><li>▪ Funding for eligible projects; typically for fixed-asset and infrastructure investment made by companies</li></ul>   |
| <b>Growth Fund Loans</b>                                       | <ul style="list-style-type: none"><li>▪ Loans for companies in growth, established or expansion stage that have generated revenues through a proven business plan</li></ul>  |
| <b>Revitalization</b>  | <ul style="list-style-type: none"><li>▪ Site selection and evaluation services for potential end-users</li><li>▪ Loans and grants made available to public and private entities seeking to clean-up and redevelop sites</li></ul>  |
| <b>Workforce Grants</b>  | <ul style="list-style-type: none"><li>▪ Funding for the improvement of worker skills and abilities across the State</li></ul>  |
| <b>Site Selection &amp; Comprehensive Project Facilitation</b> | <ul style="list-style-type: none"><li>▪ Proactive, business-minded industry experts providing value added in-state expertise (Example: new power development facilitation with Ohio EPA, utilities commission &amp; other stakeholders; identifying key sites prime for development)</li></ul> |

# Explore Locating Your Business in Southeastern Ohio

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