

Comprehensive
Economic Development
Strategy (CEDS)

Executive Summary
GWRPC 2014

Greater Wabash Regional Planning Commission



Regional Economic Strategy for the Greater Wabash Region, Summary
December 2014

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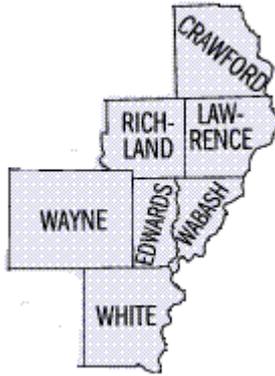
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THE GREATER WABASH REGION



102,976 2010 POPULATION

2812 SQUARE MILES

43 MUNICIPALITIES

The Greater Wabash region is composed of seven counties in the southeast corner of the State of Illinois, bordered on the east by Indiana. The region has one major interstate, I-64 which runs east to west. The majority of the region is rural and agricultural. The region is abundant with natural resources (oil, coal, water and fertile farmland).

The Greater Wabash region exhibits challenges similar to other rural regions, including a shrinking population. According to the 2010 US Census, the region had a 1.4% population loss from the year 2000 Census.

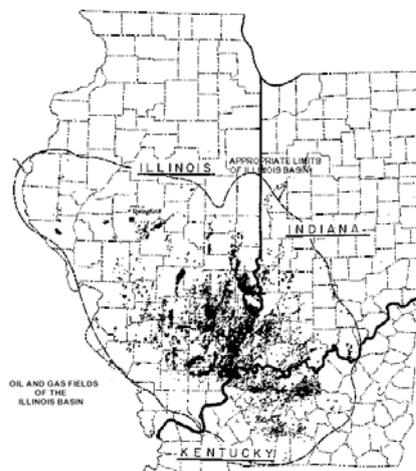
INDUSTRY DRIVERS/CLUSTERS

Agriculture

The Greater Wabash Region's land is used primarily for agriculture. The most important agriculturally related products grown within the Region include corn, wheat, soybeans, milo, along with some livestock, dairy and poultry operations. Agricultural-related work such as fertilizer companies, grain elevators, Implement dealers, seed dealers, accounting firms specializing in farm accounting, high school agriculture teachers, and many other areas of agricultural work provide many of the jobs in the region.

Oil & Gas Extraction

The Greater Wabash region lies over some of the most productive oil deposits in the Midwest properly named the *Illinois Oil Basin*. The *Illinois Oil Basin* not only includes Southern Illinois but also extends to western Kentucky and western Indiana.



All seven of the Greater Wabash Region counties are among the top 15 counties in the State in oil production with White County listed as the NUMBER ONE county in the State.

2008 State of Illinois Petroleum production: (In thousands of barrels/year)

| | | | |
|--------------------|----------------|--------------------|--------------|
| 1. White | 1,109.8 | 9. Richland | 381.0 |
| 2. Marion | 1,097.9 | 10. Franklin | 357.1 |
| 3. Crawford | 903.3 | 11. Jefferson | 265.3 |
| 4. Lawrence | 869.6 | 12. Jasper | 226.9 |
| 5. Clay | 643.3 | 13. Clark | 221.6 |
| 6. Fayette | 604.8 | 14. Hamilton | 218.8 |
| 7. Wayne | 562.2 | 15. Edwards | 192.2 |
| 8. Wabash | 465.2 | | |

One of the significant users of crude oil in the region is Marathon Petroleum Company LLC, which has been one of the top two largest employers in Crawford County with over 600 employees. The Robinson facility is reportedly the third-largest refinery in the Marathon Petroleum system. Also of note, the oil industry has been responsible for employing nearly 500 people within White County.

While Illinois production is considered mature, the state has significant reserves located at relatively shallow depths, making long-term production a possibility. In addition, in 2014, the State of Illinois passed final rules regulating the production of High Volume Hydraulic Fracturing, HVHF, in Illinois. The Greater Wabash region lies within the New Albany Shale which is suspected to have rich deposits of gas and petroleum that can be extracted using the HVHF methods. The year 2015 should prove to expose the amounts and values of the deposits with the New Albany Shale which could have a huge economic impact to the entire region.

Automotive parts manufacturing

There are thirteen companies located with the Greater Wabash region that produce automotive parts creating an automotive cluster. These thirteen companies employ over 3000 of the Greater Wabash region's labor force.

Mining

Approximately 50% of electricity in the U.S. is generated from coal. Regarding coal reserves in the this area, the Illinois State Geological Survey estimated that there are approximately eight billion tons of coal beneath the Greater Wabash region, representing about 20 percent of Illinois' vast coal reserves. The three coal operations within the region are White County Coal, LLC (ARLP), Wabash Mine, and the Friendsville Mine.

White County Coal, LLC., Pattiki Mine, started operations in 1983, and in the year 2010 produced 1.657 million tons. White County Coal is a segment of Alliance Resource Partners LP. ARLP, a publicly traded limited partnership, is a diversified producer and marketer of coal to major United States utilities and industrial users. ARLP is the eighth largest coal producer in the eastern United States.¹ According to ARLP, there is an estimated 51.9 million tons of proven and probable reserves at the Pattiki Mine. According to their website, the Pattiki Mine reportedly produced 2 million tons in 2013.

The Wabash Mine was owned and operated by Foundation Coal Holdings, Inc., a publicly traded company at the time of its closure in 2007. The mine closed after workers went on strike over the failure to reach a new labor contract. The mine shipped 1.7 million tons of steam coal in 2005. Some speculate that the Wabash Mine may potentially be re-opened following the expiration of certain worker benefits tied to the closure of the plant.

The Friendsville Mine is a surface mine operation located in Wabash County, near Mt. Carmel, Illinois, that supplies approximately 1 million tons of coal each year, for the Alcoa Warrick Power Plant, located southeast of Newburgh, Indiana, approximately 60 miles from the mine. Opened in 2006, the mine is managed and operated by Vigo Coal Company, Inc.

WE ENVISION A REGION THAT...

Embraces Entrepreneurs-

- A larger number of locally owned businesses
- A vibrant support network that provides quick access to legal, financial, and management resources needed by entrepreneurs
- Expanded commitment to entrepreneurship education in the region's K-12 schools

Has Quality Infrastructure

- Provide the region's employers and citizens with quality infrastructure (water, sewer, roads, sidewalks, & broadband) to facilitate both the attraction and retention of business and residents in the region

Enhance Exporting

- Work together as a region to help local industry and manufacturing in buying local within the State of Illinois instead of outside the region/nation. Help to increase the amount of exports leaving our region while also working towards exporting finished products rather than raw materials.

Support the Natural Resource Opportunities

- Work to develop regional opportunities for all the natural resources in the region
- Develop the necessary support businesses need to facilitate the operation and growth of the oil, coal and agriculture industries
- Work with the community colleges to identify and create workforce training for the region's leading employers

GOALS FOR OUR REGION

Goal 1: New Job Generation- Increase Employment while also maintaining the current employment base by promoting and attracting quality employment positions into the Region.

Goal 2: Modernization and Expansion of Community Facilities, Infrastructure and Housing.

Goal 3: Maintain and modernize the District's transportation facilities that are essential for private-sector investment and community safety.

Goal 4: Strengthen Municipal and County Governments- Assist local units of government to stay abreast of new legislation and assist in the promotion of new technical improvements in order to provide the District's residents with up-to-date police and fire protection.

Goal 5: Promote Tourism