



# MID-STATES CORRIDOR

## ECONOMIC INTERVIEW APPENDIX

### Mid-States Corridor Tier 1 Environmental Impact Study

Prepared for

Indiana Department of Transportation  
Mid-States Regional Development Authority

AUGUST 13, 2019

Prepared by

Mid-States Corridor Project Consultant





# ECONOMIC INTERVIEW APPENDIX

To identify existing logistical connections to customer and supply markets, as well as identifying missing logistical connections, 18 interviews were conducted with key businesses and associations throughout the 12-county Study Area. Of the 18 interviews, 11 were business interviews and 7 were economic development corporation interviews. Questions were targeted to identify customer and supply markets, intermodal usage, freight patterns, missing logistical connections, and regional economic trends.

## Economic Interviews: Meeting Summaries

The individual meeting summaries of these interviews can be found in the corresponding PDF files located in the Economic Interview Appendix. **Note- The interview summaries that are not in PDF format represent meeting summaries that have not yet been finalized. They are awaiting review by the interviewee.**

## Supplemental Information provided by Interviewee

In the course of the interviews, supplemental information was provided by Farbest Foods, Inc., Wabash Valley Produce, and Cook Group, Inc. This supplemental information provides additional insight into company operations and volume of economic impact. This information can be found in the corresponding PDF files located in the Economic Interview Appendix.

## Economic Interviews Summary of Key Themes

Summary of key themes for 18 interviews between June 11- June 27, 2019 with both businesses and economic development corporations in the 12-county Study Area. These themes represent reoccurring input from interview representatives.

### Economic Significance of Dubois County

Dubois County is the “economic engine” of Southern Indiana. Several large national corporations are located here, including large furniture manufacturers (OFS Brands, Masterbrand Cabinets, Best Home Furnishings, Jasper Group, Kimball International), two of the nation’s leading poultry manufacturers (Wabash Valley Produce, Farbest Foods, Inc.), and other industries with significant employment and economic impacts (Jasper Engines and Transmissions, Jasper Rubber, Meyer Distributing, Kimball Electronics). Dubois County is one of the nation’s top manufacturing hubs despite being distant from an interstate highway and lacking direct connections to main transportation arteries (I-64 and I-69). Access to northern and southern markets faces significant logistical handicaps due to design and capacity of US 231. Access to I-64 and east/west connections has significant inefficiencies due to congestion and unreliability of US 231. These inefficiencies inhibit business growth and business attraction, lead to unpredictability in delivery times, increased freight costs, inhibit access to Crane Naval Surface Warfare



Center and its supporting contractors, and limit access to intermodal facilities such as large airports and FedEx center in Indianapolis, UPS center in Louisville, and rail operations in Indianapolis and Chicago.

### Poor Safety, Unreliability and Inadequacy of US 231

The main existing north/south connection for most of the Study Area is US 231 from Crane to the US 231 Natcher Bridge in Rockport. Road users consistently described its inadequacy in terms of safety, speed, congestion, and travel time predictability. This sentiment was reaffirmed throughout the 18 interviews by a wide geographic representation. Concerns regarding the safety of US 231 were raised, including the transport of potentially dangerous materials traveling south from Crane through cities such as Loogootee, Jasper, and Huntingburg. The sentiment that an accident with these types of cargoes in populated areas would be disastrous. Other safety concerns were attributed to the general characteristics of the road. The majority of US 231 in the Study Area is a 2-lane road with narrow shoulders, that in combination with the hilly topography, unrestricted county road access, and the presence of slow-moving seasonal farm equipment leads to safety concerns from regional representatives. The same features that impact the safety of the road also lead to reduced speed and travel time variability. This seriously affects motor freight activities, especially those servicing NSA Crane and Dubois County. Additional miles spent accessing main arteries impact ability to cost efficiently access wider consumer markets. Meyer Distributing currently concentrates freight activity in the evening and night to avoid congestion on US 231. Returning to Jasper in the morning is both a safety and time issue due to morning traffic. Companies which frequently use US 231 believe it is overutilized in terms of its design and capacity.

Concerns regarding the portion of US 231 that is already an upgraded 4-lane highway in Spencer County were also expressed. There are currently many businesses that together represent a large portion of employment for Spencer County (AK Steel, AEP Power Plant, Thermwood Industries) located on the US 231 corridor with direct at-grade access to the road. The large number of employees currently entering/exiting plus the potential for more with anticipated development is a safety concern for the region. Furthermore, the anticipation of development near the current US 231/I-64 interchange at Dale is a safety concern due to the J-turn design rather than a grade separation access.

### Lack of North-South Connectivity throughout 12-County Study Area

For counties east of I-69 and west of I-65 without access to an interstate facility, there is a restricted access to northern and southern markets. Dubois County faces challenges due to US 231 constraints as outlined previously. Many businesses avoid using US 231 to reach northern markets, and instead go south to I-64 to then go north on I-69 or I-65. This added travel time raises freight costs significantly for businesses. For companies that operate a network of distribution and logistics centers, delivery times are shifted back for additional miles travelled from main inventory centers to supporting location points. Orange County also faces constraints from visitors traveling from the North and West. The area receives 1,100,000+ visitors a year, a large portion of whom are traveling from within Indiana. Current connecting roads to French Lick and West Baden are narrow and windy, and unreliable during high rain and winter, which occur at peak tourism seasons (Summer/Winter). For Daviess and Martin County, improved access to southeastern counties would open opportunities for economic collaboration between Crane Naval Surface Warfare Center and Southern Indiana. Lawrence County is also lacking significant north/south connections, and freight costs are increased due to its remote location. Spencer County currently serves as a connection point to I-265 and I-65 which connects Indiana to Kentucky, Nashville, and points south to Mobile, Alabama. A continuous artery from the southern terminus of the



corridor (US 231 Natcher Bridge at Rockport) to I-69 would benefit Spencer County development as well as inter-state connectivity. The ability to connect to Kentucky was echoed as an economic benefit in many of the interviews conducted. Soybeans from the Daviess/Pike County region are transported largely to Owensboro and Henderson Kentucky. Representatives from Owensboro stated that currently Owensboro faces challenges due to location and the lack of major highways running through it.

## Workforce Availability Issues

Workforce availability and workforce attraction were issues that were repeated in nearly every interview. Many stated it was the number one issue facing businesses. Lack of available workforce is affecting businesses ability to grow. With one of the lowest unemployment rates in Indiana (2.1%), representatives from Dubois County consistently expressed that there are more jobs than people. Many are worried about filling the positions currently available in both production and in transportation. Jasper Engines employs 2,600+ employees in Dubois County alone and currently operates a distribution center in Crawford County to access the workforce in that area. Low unemployment and workforce availability were also echoed in Perry County, Daviess County, and at Crane. Attracting new business is a lesser priority for businesses than increasing population and labor force in this region.

Transportation plays a large role in work force availability. As transportation is improved, the radius of people who can access jobs faster and safer increases. Commuter access is limited by the same accessibility issues businesses face in freight deliveries. Increasing the commuter shed expands workforce availability and provides jobs to areas of higher unemployment. Dubois County's population doubles everyday due to the influx of commuters coming from nearly an hour radius away. Daviess County is also attracting employees from Knox County, Martin County, and Greene County. Decreasing commuting time not only helps in workforce attraction, but it improves the quality of life for those already commuting and aids in workforce retention. Quicker access to urban centers such as Bloomington, Indianapolis, and Evansville is also important in improving quality of life and workforce retention. Employers felt that access to urban centers is especially critical to attracting younger generations. The appeal of access to "city life" is crucial in retaining new Indiana graduates.

## Housing Availability Issues

Housing availability and workforce attraction are inseparable issues in this region. Counties with large manufacturing employment require many entry-level workers. These entry-level workers typically look for apartments or single-family homes. However, such housing is in short supply due to the lower margins and higher risk for builders. Builders are more inclined to build higher cost homes with larger profit margins. In areas of high population such as Indianapolis, lower cost housing is less risky because it can be built in larger volumes. Such construction is less feasible in this region due to smaller populations and longer absorption rates. Regional representatives reiterated that to increase housing availability, infrastructure or absorption risks need to be reduced for builders and developers. Orange County and Dubois County both expressed the need of housing for additional residential development.

## Importance of Improved Intermodal Access to Business Expansion and Attraction

Access to large airports with air freight services, such as FedEx in Indianapolis or UPS in Louisville, gives businesses a competitive advantage. An Indiana Department of Transportation report indicated that economic impact of aviation in Indiana is an estimated \$120 billion annually. Currently, air freight opportunities for this region are limited due to a lack of reliable and fast connections. Improved access



to rail centers such as Indianapolis and Chicago allows connectivity to national and international markets. Currently, regional usage of intermodal facilities is limited. Regional businesses echoed that this is due to either the type of product being produced or the added travel costs to reach intermodal facilities. Many agreed that it is an opportunity being lost. Perry County currently operates a short line rail to Rockport, which then connects to a Norfolk Southern Line. Perry County also operates the one Ohio River port between Mt. Vernon and Louisville. Connecting this port to a north/south artery would bring added intermodal opportunities to the region.

### Effect of Implementation of Electronic Trucking Logs

In December of 2017, trucks made after 2000 were required to switch from the use of paper logs to electronic logging devices. This was intended to keep exhausted drivers off the road and reduce paperwork costs for motor carriers and law enforcement agencies. This implementation has affected businesses with freight operations differently. Some regional representatives expressed that it has made the road safer because many drivers were running more miles than they safely should have been. Others have stated that it has led to increases in retirements by experienced drivers. There has been an increase in younger, less-experienced drivers, whose lack of experience can lead to more crashes.

Electronic logs are easier to check and indisputable, therefore, drivers are no longer able to run multiple books or drive over a reasonable amount of time. Another benefit conveyed is that it is easier to manage and view fleet data.

While these benefits were echoed by regional representatives, other businesses expressed that the electronic logs have had unintended consequences. Due to the strict enforcement of hours of service and required rest time, drivers are traveling more during rush hour which has seen an increase in serious trucking accidents. Rest time requirements are also forcing drivers to pull off on the side of the road, regardless of how close they are to a rest station or their homes. There is no flexibility with shut downs or short moves. This inflexibility is a safety issue as well as a convenience and practicality issue and is ultimately putting more trucks on the road than before.

Some businesses, especially those with unpredictable shipping locations and smaller fleet contractors, saw as much as a 50% cost increase in freight shipping. Drivers are less likely to pick up shipments that are not conveniently located because that translates to a loss of money, which in turn increases the cost of freight. Additionally, even businesses with predictable shipping locations and a large fleet stated that the implementation costs have raised shipping costs, and hence costs to consumers. It also had led to increases in retirements by experienced drivers, putting further stress on truck operator staffing needs. However, businesses whom have a long-standing relationship with carriers and have a large volume of products were better able to manage their freight costs.

While some businesses saw benefits from the implementation and others saw an increase in costs as well as safety issues, all agreed that the implementation has further reduced flexibility and increased the need for dependability in transportation. Access to multi-lane and predictable travel time has never been more important or critical.

### Importance of Transportation Connectivity to Regional Community Collaboration

Improved transportation connects communities through commuter shed and increases workforce availability. It also improves business collaboration and promotes regional economies. As the concept of



regional economies becomes more dominant, there is a need for more regional connectivity. Business development organizations especially conveyed that efforts to build on regional strengths through collaboration was a priority. Development corporations that represent multiple counties expressed that they want to avoid communities competing for the same initiatives. Improved transportation connections could aid in providing linkages to support regional development. One of the top priorities of Radius, a development corporation that represents 7 out of the 12 counties in the Study Area, is to foster communications and increase collaboration between the communities that surround NSA Crane to promote growth and sustainment of the military base. The base and supporting defense contractors employ over 6,000 people and are a pillar of economic activity for the Study Area. Furthermore, establishment of the Purdue Foundry aims to provide entrepreneurial support and STEM regional development. It was expressed that there is currently untapped potential between Crane support and the Study Area, which could be improved by access.

### Importance of Transportation for Business Attraction

Indiana's relatively low taxation and flexible regulatory practices give it an attractive business climate. Furthermore, this Study Area specifically is an attractive location due to its 8-hour distance from two-thirds of the US population. Development corporations attempt to leverage this proximity to a large population market as a recruiting tool for business attraction. However good infrastructure is necessary to continue to attract both business and workforce. One of the first considerations for developers are the major roads in the region. This access is a large part of location decisions. Regional representatives expressed that the combination of access/logistics to the north along with the competitive labor market presently discourages business attraction. Another issue raised during these interviews was the need to establish permanent presence of companies rather than attracting businesses that can operate remotely and have permanent establishments elsewhere. Providing business incubators and reliable infrastructure is necessary in workforce and business attraction. Reliable and affordable access to transportation arteries is also a factor in current businesses ability to remain competitive and expand.

The association of economic development around facilities such as interstates and highways is long standing. New businesses typically begin to locate around such facilities 5 to 10 years after major transportation improvement increase accessibility. Representatives from Daviess County expressed that the completion of I-69 through Daviess County has been a factor in business attraction and workforce attraction. Washington welcomed the county's first foreign direct investment, M&C Tech, which quickly followed the completion of I-69 from Evansville to Bloomington. It represents the first Japanese company to locate along the new segment. Further economic development because of I-69 will continue to be identified as time progresses. Interviews revealed that a significant improvement in north/south connectivity, along with the east/west access from I-64, will make the 12-county Study Area highly attractive for economic development and business attraction.



# MEETING SUMMARY

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**Date of Meeting:** June 18, 2019      **Re:** Economic Development Interviews: Boyd Grain Trucking

**Location:** 1957 E 200 N Washington, IN 47501      **Issue Date:** July 10, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Tom Boyd: Boyd Grain;  
Trent Boyd: Boyd Grain;  
Michael Grovak (MG): Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) provided an introduction on NEPA process:

- Any federally funded project requires environmental studies of the benefits, impacts and costs of a proposed project. An Environmental Impact Statement (EIS) is the most detailed level of analysis.
  - Particularly large projects sometimes use a tiered study for complex projects or those with a large geographic area. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are

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more detailed and result in the selection of an exact alignment. And EIS at its core evaluates project benefits, impacts and costs.

- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
- The region of the Mid-States corridor was described, including the starting point (231 in Rockport), 231 to Jasper/Dubois Co., and then either a continuation East or West, eventually continuing north via I-69.
  - The analysis of proposed routes will be determined by the three aspects mentioned above (cost, impact, benefits)
  - Logistics and freight movement are a large part of this evaluation which leads to the reason and context of this interview- identification of key needs by speaking with businesses and those dealing with economic development in this region.
- Tom Boyd (Tom) reviewed the DRAFT Midstate Corridor Study Map and comments that the just by looking at the map- it seems the most obvious route is a connection straight up from Crane (based on directness of road).
- Tom B stated that for Boyd Grain Trucking, a connection to I-69 at Washington, would be the ideal route. Trent Boyd (Trent) commented that soybeans from this area (Washington, IN) are transported largely to Owensboro, KY or Henderson, KY. A direct connection to Owensboro, would be helpful, echoing Tom's comment above.

The following points correspond to the interview agenda. Unless otherwise indicated, they represent input from Tom Boyd (Tom) or Trent Boyd (Trent).

### **General**

*Describe your business process at a high level.*

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*
- *What are your key finished products?*
- *What are the critical aspects of your business/production process?*

MG also asked specifically about Boyd Grain's trucking operations and how large of a fleet it operates.

- They operate 100 semi-trucks.
- These serve a wide variety of customers, not just products from their own farms.
- Customers include Toyota, Berry Plastics, Grain Processing Corporation
- Comments that currently the worst routes for their trucks are eastbound roads through Shoals, IN.

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## **Customers**

*Describe your major customers*

- *Where are they located?*
- *How are your finished products transported to your customers?*
- *How time sensitive are the delivery times for your finished products?*
- *Please describe key bottlenecks or obstacles to timely delivery of your finished products.*

MG also asked if most of their customers are to the east

- Most customers are located along I-69 (Evansville and Indianapolis)
- Reiterates that they provide many shipments to Owensboro.
- While most farm customers are in those areas, trucking operations for customers (especially Grain Processing Corp (GPC)), serve the lower 48 States.

Tom cited the I-69 timeline and asks if this project will have a similar completion timeline (10-15 years from now).

MG replied that this would be a reasonable time-frame.

- Cited Governor Pence's Blue-Ribbon Panel report and this project's priority to the State.
- Mentioned the upcoming public involvement meetings the week of August 5<sup>th</sup>
- Noted that Washington will probably be one location of these meetings

Tom asked more specifically about the logistics of a route that would go through Washington and connect to I-69. (Where would it connect, north/south of Washington, etc.)

MG replied that:

- We are too early in the process to be that specific.
- The current Tier 1 study (2-year timeline) is establishing a 2,000-foot-wide corridor for its preferred alternative.
- One purpose of these public meetings is looking at suggestions the public will have on preliminary routes.

## **Transportation, General**

- *What key multi-modal facilities do you use for supplies or deliveries?*
- *Are these multi-modal facilities easy or difficult to use?*
- *How much do transportation bottlenecks restrict your markets (for either suppliers or customers for your finished products)?*
- *What are chief causes of variability of shipping time for inputs or finished products?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

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MG further asked for input on regional opinions and consensus from farmers on the current transportation needs in this area?

- Corn is the largest crop, by volume.
- However, the corn produced in this area remains in this area.
- It does not tend to be shipped any distance.
- Soybean transportation would be facilitated by improved access.

Trent asked for further clarification on the exact origins of the proposed road in Rockport.

MG replied by circling on the map where the current 4-lane US 231 is, showing its connection point to Kentucky at the Natcher Bridge. He then illustrated the connection to Dubois/Jasper.

Trent noted that a road to Washington from the south would result in corn being shipped to Washington. Dubois County shipments currently occur to Grain Processing Corp.

MG asked for more information about agricultural product processors in the Washington area.

- Grain Processing Corporation (GPC) is the largest company.
- Perdue Agribusiness currently buys soybean meal from Danville, IL and Morrisville, Indianapolis
- A road from Dubois County to Owensboro, KY would give more options
  - Perdue could choose to buy soybean meal from Owensboro, which could become a more competitive market).

MG asked about the importance of making road connections to rails transportation.

- Boyd Grain does not currently have rail operations, but some area industries do.
- There is a new cross dock in Washington (Recent project of the Daviess County Growth Council)
  - Slowly starting to add rail operations, but wouldn't classify it as "booming."
  - Currently the cross-dock is mainly being used to haul lumber. USG is using the rail to ship drywall.
  - Growth council anticipated that Grain Processing Corporation would use it for their operations, but currently they are using it very little.
- GPC has access to Indiana Southern Railroad – which it uses to receive large quantities of corn.

MG asked if there were any other input Boyd Grain Trucking wished to provide.

Trent: At Boyd Grain, we grow a lot of popcorn that goes East to Louisville, and that is where the worst of our road conditions are. So as far as our farm operations, the Midstate corridor may not have a large impact on our company.

Tom Boyd: Adds that it would make more sense for a new road to hit US-50, due to current traffic congestions.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 25, 2019      **Re:** Economic Development Interviews: Cook Group

**Location:** 8670 W State Road 56, French Lick In 47432      **Issue Date:** Revised July 17, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Steve Ferguson (SF): Cook Group;  
Chuck Franz (CF): Cook Group;  
Michael Grovak (MG): Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak's Introduction:

- Briefly explains the background of the Midstates Corridor project and the formation of a Regional Development Authority to assist in project development.
- Gave background on National Environmental Policy Act and its requirement for federally funded projects to have an environmental evaluation. The size and complexity of this project requires that it have the highest level of study, an Environmental Impact Statement (EIS)
- The three considerations in an Environmental Impact Study are cost, benefits, purpose
  - Cost and Impacts are measured more straightforwardly
  - Additional care is required in assessing project benefits.



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- Assessing the benefits of the project is based on its Purpose and Need.
  - This is a thorough analysis of needs in the project area.
  - It uses analytical tools which evaluate traffic forecasts, congestion, crash analyses, economic conditions, etc.
  - These interviews are being conducted to identify accessibility, freight and logistics needs in the project Study Area.
- Explanation of the project Study Area.
  - 12 Counties bounded by I-69, SR 37, and the Ohio River.
  - Project will begin at US 231 at the Natcher Bridge in Rockport to Jasper, and then go east, west, or north.
  - Alternatives will look at a wide range of options in this region.
  - Main drivers of this project are transportation needs, freight logistics in and around Dubois County, businesses near Crane.
- Explains the timeline of the first Tier of this study (2 years to select a preferred corridor) and the tiered process in general.

Steve Ferguson (SF) begins by contextualizing French Lick's interest in this project

- The number one complaint that they get is that the resorts are hard to get to
- A highway that connects to a main artery helps solve that issue.
- Declining Population: Lawrence and Orange Counties population are projected to decline by 10% over the next 30 years

SF and Chuck Franz (CF) showed a map illustrating visitor origins.

- French Lick receives 1,100,000+ visitors per year. Dots on the map indicate that visitors are traveling from every corner of the US and some internationally.
  - Naturally, many visitors are from Indiana and North of the Resort.
- Handouts also show the data of group business bookings (businesses that are selecting French Lick as a meeting location) by state.
- Meetings are coming from nearly all 50 states.
- About 72% come from Indiana.
- CF and SF also provided a heat map that shows locations for main supply vendors.
  - Jasper, Bloomington and Louisville all have many suppliers.
- Year round they average 90% occupancy on Friday nights and 96% occupancy on Saturday nights.
- We are adding additional meeting room space and 71 guest rooms.

CF and SF describe geographic transportation bottlenecks

- CF believes visitors from the North (Indianapolis, Chicago, Fort Wayne, etc.) have the most transportation obstacles.
  - Roads are dangerous (narrow, windy, hilly) and you have to know them well
- Connections to Louisville are adequate.
- Access to the West is more of a challenge
- Another challenge is high water routes and winter weather
  - Flooding leads to loss of access on roads at Orleans, on SR 56, US 50, and US 150.
  - High water detours are lengthy (requiring detours to US 231 South)
  - Flooding also closes many county roads.
  - Winter weather (snow/ice) also leads to dangerous road conditions on county roads and people are resistant to travel on them.
  - Business is brisk during the winter.
    - Hotels have special Christmas time events.
    - The 'Polar Express' draws many visitors.
    - There can be traffic jams at this time of year.
    - Paoli Peaks- Ski facility also draws visitors
- There are many major Interstates to the north.
  - These roads are difficult to access.

The Resorts in French Lick are a large regional employer.

- There are 1,700 employees in the summertime, and 1,100 full time employees.
- People are commuting within a fairly rural area (up to one-hour drives).

SF described the various ways the resort and the investments in the area have economically impacted and benefited Orange County and the surrounding counties

- Before revitalization of the resorts, Orange County had a high unemployment rate
- It was common for residents to lack running water.
  - The town of French Lick was under a sewer ban and could not hook up new businesses or homes
  - Water Plant was over 100 years old
  - Lack of Fiber Access, limited fire protection, limited emergency vehicles, highest unemployment rates in State, declining population.
- After furniture manufacturing closed in the area, there were few jobs.
- The resorts now pay around 20% of Orange County property taxes.
- Their presence has had an enormous multiplier effect in the region

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- SF lists a multitude of new businesses and ventures in Orange County that have been a direct or indirect result of their investments (McDonalds, CVS, a new Marathon, Papa Johns, Dairy Queen, German restaurant, three new hotels, Big Splash Indoor Waterpark, Miniature Golf Course, Indoor Carting, Wilstems Wild Animal Experience).
- The resorts began with 375 employees- of those 75 did not have a high school education (alluding to the highest unemployment and poverty rates of the region).
  - 10% of the population with post-secondary degree
- Cook Group has invested \$600 million in the hotels, meeting spaces, and golf courses.
- The Resort currently pays \$60 million annually in taxes, payroll, and benefits.
- Resort recruited an Ivy Tech College Extension to locate in French Lick.

SF and CF describe the resorts' regional impact and other ways they are trying to revitalize the area.

- By statute, part of the revenue generated by the Casino goes to Economic Development. Radius is a contracted non-profit that uses some of these funds to encourage economic development in Orange County and surrounding counties.
  - Grants have been leveraged to total \$130 million dollars in economic development aid.
- Community involvement:
  - Resort provides full-time associates \$5200/year in tuition to a higher education institution (182 participating associates)
  - Funding a readable English program in Springs Valley and Orleans Community schools to encourage literacy
  - Involvement with local airport to help build access roads and a fixed base
    - New building and taxi way for the 5200 foot runway.
  - Involvement in the repurposing 62 miles of CSX rail that is being abandoned from New Albany to Bedford (Rails to Trails).
  - Coordination and involvement in Paoli health care facility.
    - Currently available treatments are restricted.
    - Many must transfer to Jasper or Bedford for treatment.
    - With 1,700 employees during the summer and their families plus 1,100,000+ visitors a year, there is an urgent need for adequate critical care emergency room and access to Primary Care.
- All of the additional development and community involvement is progress made within 12 years.

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SF adds that while they have acted as a catalyst to more economic development, they cannot be relied on as the sole source for community development.

- There is an industrial site developed next to the airport and new access road from SR 145
- There is a Massachusetts company that is considering locating to French Lick.
  - This would bring an additional 50 employees to the area.
- Pluto Corp. sold its facility to a company in New York.
  - It intends to expand in the area.
  - There is a lack of housing to support additional growth-banks have agreed to make loans.
  - This has spurred the development of 60-80 new apartments which has been expedited by loan agreements and land from the Resort.
  - However, projected housing needs are 400+
    - There are currently 500 apartments in Orange county, and only 2 are unoccupied.
  - Due to the low margins for work force apartments, building them is risky.
  - SF hopes to take some of the risk from the builders by agreeing to buy homes if they are not purchased within 60 days of being built.
  - SF is also hoping to establish a revolving fund for building homes in rural areas, to revitalize the area and meet housing demands.
  - Hope to build 12-15 new homes on Klondike Hill as a start.

An adequate transportation network is required to support all of the above

- Roads are important in employee attraction, tourism attraction and accessibility, health care for employees/residents/tourists
- Access to urban areas (shopping, health care, employment, etc.) is needed for rural areas to thrive.
- Facilities are award-winning and nationally/internationally recognized as the best
  - However, they must be accessible.
  - Travel limitations are currently a drawback.
  - French Lick hosts large events including PGA tournaments
  - Easy access is required.
- The corridor is important to this area, hurdles have been overcome in turning the rural region into an economically viable county, but we need reliable transportation to continue to grow.
- A declining population in rural areas is Indiana's number 1 risk in the next 20 years. A recent study showed growth in the job population in the metro areas and declining

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population in the rural areas. As a result, some counties will not be able to provide basic services to residents. Population decline, houses cannot be sold, retail businesses close. There were over 60 vacant buildings, factories and school enrollment declining 13 years ago. It is noted that a million square foot factory just sold for one million dollars. There are others still vacant in the county.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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<b>Date of Meeting:</b>	June 27, 2019	<b>Re:</b>	Economic Development Interviews: Daviess County Economic Development Corporation (DEDC)
<b>Location:</b>	219 E Main St, Washington IN 47501	<b>Issue Date:</b>	Revised July 23, 2019
<b>Submitted By:</b>	Amy Hackbarth		
<b>In Attendance:</b>	Bryant Niehoff: Daviess Co. Economic Development Corporation;  Michael Grovak (MG): Lochmueller Group;  Amy Hackbarth: Lochmueller Group		

## ITEMS DISCUSSED:

Michael Grovak (MG) provided an introduction on NEPA Environmental Impact Statement (EIS) process:

- Described the 12-county study region and described the starting terminus of the project at the US 231 Natcher Bridge in Rockport Indiana.
  - The proposed corridor will connect to Jasper
  - From there it could go east to connect to SR 37, or north/west to connect to I-69.
- Any federally funded project requires an environmental study of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.



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- Particularly large projects sometimes use a tiered study. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are more detailed and result in the selection of an exact alignment.
- An EIS at its core evaluates project benefits, impacts and costs.
- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
- These interviews are gathering regional economic information from businesses and development corporations.
- Bryant Niehoff (BN) asked about the timeline of the study.
- MG stated that the Tier 1 study should be completed in 2 years, and the subsequent Tier 2 studies should follow closely behind.

The following points are taken from the agenda for this meeting. Unless otherwise indicated, they represent BN’s input.

### **General**

*Describe the businesses you serve at a high level.*

- *What are the major businesses for whom logistics and freight shipments are key to their business processes?*
- *In general, what are their key finished products?*

BN briefly introduced himself. He started with Daviess County Economic Development Corporation (DCEDC) in December of 2018. He is originally from central Indiana, and his background is in city planning. He is aware of the project and knows that it has been of interest for quite a while.

BN listed/described major businesses in Daviess County:

- Perdue feed mills/farms employ around 1,000 individuals in the area. There are a processing plant on the west side of Washington, a feed mill northwest of Washington, and several farms.
- Grain Processing Corporation (GPC) is a large employer in the county. Freight is critical to its operations. The location in Washington (1 of 2 GPC locations, the other is in Iowa), is a wet milling facility which produces maltodextrin (corn filler) from corn and food-grade alcohol. GPC is currently investing in a large \$70 million expansion.
  - Quest Trucking is a separate company that supports GPC operations.
- Boyd Grain Trucking runs both a large grain company and a sizeable logistics company.

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- Graber Post Buildings is a large employer that manufactures trusses and building materials.
- M&C Tech is the county's first foreign direct investment. It is a new industry for the area, employing 50 people.
- NSA Crane is a major employer and economic engine for the area. Logistics are critical to its operations and those of supporting defense contractors and other businesses at WestGate Technology Park.
- Additional companies and employers for whom logistics and freight service are critical: Berry Plastics, DC Metals, K&K Industries, White Stallion Energy, Eagle Railcar (railcar repair), ISOFlex Packaging, Olon Industries (particle board drawers), Nasco, and Tri Star Glove.

MG asked about any inaccessibility issues for these companies.

BN replied:

- I-69 runs through Daviess County, which is a major advantage for companies that have large motor freight operations.
  - Comments that there are only 2 interchanges within Daviess County, so access is an issue sometimes.
- US 231 is a significant challenge for businesses on the eastern side of the county.
- Another highly traveled road is SR 257 which connects Pike County to Dubois County. SR 257 is narrow and difficult for trucks to traverse. It also floods at the White River during high-water times.
- BN comments that as far as detailed transportation issues, we should also contact businesses directly.

### **Transportation, General**

- *How important is transportation to future growth and development?*
- *Are there key target market sectors you seek to attract, especially in the logistics sector?*
- *Are key multi-modal facilities easy or difficult for businesses to use?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

MG also asked whether intermodal facilities in the area are lacking or inadequate.

- Water/barge transport is a challenge. The nearest port is in Evansville.
- There is a local airport in Daviess County.
  - It can accommodate corporate jets, but nothing larger.
  - Evansville is the closest large airport.
- Daviess Co. has a CSX line that runs east-west through the center of the county.

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- There is a rail spur that connects to the CSX lines (shell building)
  - GPC uses it right now to move maltodextrin product out (motor freight to rail).
- Rail is rather accessible in Washington and Daviess County, although intermodal capabilities is a challenge.
  - Rail service is accessible from I-69 with east-west CSX line at Exit 62 off I-69 in Washington, and the Indiana railroad at Exit 76 in Odon/Elnora. The Indiana Railroad has a Transload Facility in Odon, just a few miles east of Exit 76. This facility opened in June of 2013.

MG asked whether labor force is a significant issue.

BN stated:

- Daviess County's unemployment rate (2.3%) is just slightly above Dubois County's.
- There is a surplus of jobs; it needs a larger workforce.
- It currently attracts workers from Knox County, Martin County, Greene County, as well as some from Dubois County (although Daviess Co. is also sending people to Dubois).
- Notes that I-69 did help with expanding its commuter shed.
  - MG comments that due to a favorable climate for business, Indiana is drawing more and more commuters from Illinois.
- One of the priorities for DCEDC is attracting people with beautification, programs, housing, etc.
- I-69 has been helpful in workforce attraction because it has brought urban centers (Evansville, Indianapolis) closer. Has increased the quality of life.
  - There is a drawback to that, because this could suppress building amenities such as movie theaters, restaurants, etc. locally.

MG asked if housing is an issue for workforce attraction.

BN stated:

- Housing development have been more challenging to build because of the lower margins and the unwillingness of builders to take on risk.
- Indianapolis, for example, is building large volume of single-family homes, but low profit margins are offset by the volume of construction.
- Daviess County can't support large volumes of new home construction due to market conditions.
- There is a longer absorption rate and a smaller population (12,000-13,000 population in Washington).
  - Absorption rate is defined as how quickly you build a home and then can sell it and build another one.

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- Need to better address housing needs.
  - This requires taking some risk out of developers.
  - Sharing some of the infrastructure costs.
  - TIF districts- until this year the ability to use TIF designation to provide infrastructure for single family housing was low.
    - TIF was previously used for industrial, commercial, etc.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 11, 2019      **Re:** Economic Development Interviews- Dubois County Airport Authority

**Location:** 2495 West 900 South, Huntingburg, IN 47546      **Issue Date:** Revised July 16, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Travis McQueen:  
Dubois County Airport Authority;  
  
Michael Grovak:  
Lochmueller Group;  
  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) made introductory remarks. Travis McQueen (TM) is familiar with processes under the National Environmental Policy Act (NEPA). The Airport Authority (AA) recently completed a NEPA analysis for an airport runway extension through the Federal Aviation Administration (FAA). MG reviewed the three-fold consideration of costs, impacts and benefits under NEPA. MG described how the benefits will be assessed based upon the project's purpose and need. That purpose and need will analyze a broad range of transportation and economic needs. These include highway safety, congestion, accessibility and economic trends over a 30- to 40-year period. We also are conducting about 20 interviews with major businesses, economic development officials and transportation providers. These interviews will identify regional issues with freight and logistics, and how those relate to highway transportation.



The following sections correspond to portions of the interview agenda. Unless otherwise indicated, they represent input from TM.

## **General**

*Describe your business process at a high level.*

- We are simply another transportation system (runways, rails, roads, and rivers) connecting communities, businesses, people and providing critical support functions to our users; we (airport) are a multi-modal facility, with users taking to the runway from the road
- Key users of the airport have corporate flight operations on-site. These include:
  - These include Best Home Furnishing, Masterbrand, OFS Brands, Kimball, and Jasper Engines and Transmissions.
  - These businesses use the airport as a service tool and a marketing tool.
  - The airport is a way to transport clients and key employees quickly to points throughout the country.
  - We can't overstate its importance in this role.
- Key users of the airport. These include local businesses: Mann Enterprises, Monosmith and Woods, Blue Sky Aviation Sales, Mulzer Crushed Stone, Petico Parts Inc. and Ellison Distributing Inc.
- Agribusiness is another key industry which the airport serves.
  - The airport is the base of operations for Superior Ag
  - It provides herbicide and pesticide application services to farmers across a large region.
  - About 35,000 gallons of Jet Fuel are sold each season.
  - Agricultural operators contract with Superior Ag for product application.
  - Superior Ag subcontracts with pilots for product application.
  - At peak times, there are 3 fixed wing aircraft and 7 helicopters in operation.
  - The service area includes large portions of southern Indiana and north-central Kentucky.
- The airport also provides fuel sales.
  - Customers include some of the corporations based there.
  - Other customers include transient general aviation aircraft and Superior Ag contractors.
- Other airport customers include:
  - Air taxi/charter; Law enforcement; Department of Defense; Flight training; Aircraft Storage, aircraft rental
  - Air ambulance services will originate from Huntingburg and begin to be provided to the public later this year (2019).
  - Aerial surveying, energy exploration, national security/boarder security; emergency response; aerial firefighting & support; emergency diversionary airport; disaster relief and search and rescue; critical federal functions; access to

remote communities; self piloted business flights; corporate personal flying; charter passenger services; aircraft/avionics manufacturing/maintenance; aircraft storage; aerospace engineering/research; utility/pipeline control and inspection; executive flight service; manufacturing and distribution; express delivery service; air cargo; destination and special events: tourism and access to special events; intermodal connections; special aeronautical (skydiving/airshows)

- Growing the airport: lengthening the runway (\$7 to \$8 million-dollar extension project)
  - This just received FAA approval.
  - Soliciting construction bids (July 2<sup>nd</sup>, and July 25<sup>th</sup>, 2019)
  - Timeline for project.
    - Contactor Notice to Proceed will come this fall (2019) or next spring (2020)
    - Construction will take 3-4 months.
  - It is a two-stage project
    - Stage 1: Lengthen runway from 5,000 feet to 5,500 feet and widen from 75 feet to 100 feet
    - Stage 2: Further lengthen runway from 5,500- 6,000 feet.
    - Stage 2 is a future project with a five-year horizon.
  - Lengthening runways is key to extending aircraft range.
    - The extra 500 to 1,000 feet of runway allows aircraft to carry considerably more fuel.
    - Other aircraft weight variables (passengers/cargo) cannot vary.
- Aviation is a key driver of Indiana's economy.
  - Mr. McQueen referred to an INDOT report which showed that the economic impact of aviation in Indiana is \$120 billion annually. See link below.
  - Huntingburg Airport has an economic impact of \$522,026,882.00 per year, according to the study (page 12 of 24)
  - [https://www.in.gov/indot/files/Aviation\\_FinalEconomicImpactStudy.pdf](https://www.in.gov/indot/files/Aviation_FinalEconomicImpactStudy.pdf)
  - Mr. McQueen suggested that the local economy would not sustain its current level, "but for" having the business use of the airport
- Airport history.
  - Opened in 1938
  - Came under airport authority in 1943.
  - This allowed tax revenue to support operations.
  - Airport Authority (6) members are appointed by Dubois County commissioners (3) and Mayor of Huntingburg (3).

### Freight Deliveries

- UPS in Louisville is only 90 minutes away.
- FedEx in Indianapolis is only 180 miles away.
- There still is some opportunity for freight deliveries after the runway extension.

### **Coordination with Mid-States EIS**

- MG explained approach of a Tiered EIS
  - The Tier 1 EIS will select a corridor.
    - It is anticipated to be about 2,000 feet wide.
    - A highway will be located within that corridor.
  - Tier 2 studies will select a specific alignment.
  - The Tier 1 project is to be completed in two years.
- MG also explained how alternatives will be selected.
  - A geographic range of alternatives will be considered to the north, east and west.
  - Up to 15 preliminary alternatives will be identified later this year.
  - Early next year these will be screened down to no more than 6 alternatives which will be studied in detail.
- The Tier 1 selection will take into account the runway extensions at the airport.

### **Future Directions for the Airport**

- There is the eventual hope to attract for manufacturing
- The airport is reaching out to aerospace and aviation-related firms and entrepreneurs.
- It can offer significant tax advantages to businesses which locate on the airport property.
  - Because the airport is a government entity- land and structures are not taxed.
  - Land has been set aside at the airport for such development.
  - Positioned at the crossing of two major highways (I-64 and Mid-States) would be ideal for business growth and attraction.

### **Freight/Logistical Connections**

- MG asked about “missing” logistical connections to the north.
- TM noted in his role at the airport, he does hear about the desire for better connections to the north for product shipments and personal.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 11, 2019      **Re:** Economic Development Interviews- Dubois Strong

**Location:** 961 College Avenue, Jasper IN 47546      **Issue Date:** June 28, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Ed Cole: Dubois Strong;  
Michael Grovak: Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

## ITEMS DISCUSSED:

Michael: Introduction on NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
  - Particularly large projects sometimes use a tiered study because you are dealing with a very large geographic area. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are more detailed and result in the section of an exact alignment. And EIS at its core evaluates project benefits, impacts and costs.
  - Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.

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- The process of specifying preliminary alternatives and then screening to a smaller number of detailed alternatives was described.

### **Beginning of Interview Outline**

Unless otherwise indicated, all input following was provided by Mr. Strong.

### **General**

*Describe the businesses you serve at a high level.*

- *What are the major businesses for whom logistics and freight shipments are key to their business processes?*
- *In general, what are their key finished products?*
- Manufacturing is king for Dubois County. About 33-34% of the county work force is employed in manufacturing.
  - Freight and Manufacturing go hand and hand: furniture and wood products are key.
  - Most wood used in furniture making comes from the east coast and is imported by ship. Foreign labor and business costs make this an important source for wood used in manufacturing. Many domestic sources are not cost-competitive with overseas suppliers. Final delivery of these products to manufacturers depends upon highway connectivity – these wood products are delivered to factories by truck.
- Dubois is a major economic player in Southwest Indiana. Some large national corporations are located here.
- Another big “connectivity” is labor force access to Dubois County jobs.
  - There are more jobs than workers in Dubois County. For every county resident seeking employment there are 100 jobs available. Dubois County employers attract many workers from other counties.
  - Dubois compares to Hamilton County (central Indiana) with one of the lowest unemployment rates in the state
- Michael Grovak (MG) commented that the regional economic models being used for the project consider the details of the makeup of the region’s economy. It will evaluate workforce access to jobs when comparing alternatives.
- Meyer Distributing is an “outlier” regarding how well it functions under significant logistical handicaps. Access north of Jasper via the current 2-lane US 231 is undependable and slow.
- Dubois County is one of the nation’s top manufacturing hubs while being distant from an interstate highway.

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- Styline operates a significant logistics company with hundreds of trucks, and it able to do so successfully in spite of its Dubois County location.

### **Suppliers**

- In addition to wood products, important manufacturing inputs include steel parts/fasteners and veneers.
- Current inefficiencies in delivering these raw materials hurts the growth of manufacturers.
- Time sensitivity (Just in Time (JIT) practices) reduces warehousing costs. Smaller inventories produce cost savings. and allows them to have less inventory which translates to cost savings.
- Mr. Cole agreed with MG's observation that the combination of high-quality four-lane roads and distributed computer technology (PCs) have been the catalyst for JIT practices in the last 2+ decades.
- Trucking is vital for JIT. Rail deliveries are not an option for JIT manufacturing.
  - Rail is a cost-effective technology for deliveries of commodities (defined as lower-value inputs which are purchased largely on the basis of price).
  - The profit mark ups for commodities is low compared to other goods.
  - Higher-value finished products are the most profitable.

### **Business Inventory**

- *Please provide any insights on physical inventory practices of businesses you serve.*
- *What insights can you provide about undependable delivery times for businesses you serve?*
  
- Manufacturers implement JIT practices as best they can.
  - However, their orders for input materials may need to be larger than desirable due to uncertainty of delivery times.
  - This in turn drives up costs.
- MG asked whether manufacturers would prefer a longer route with more predictable times versus a shorter route with greater variability of times.
  - Using 231 is shorter but has much more travel time availability.
  - The route often is used by large, slow pieces of farm equipment.
  - Making decisions on routes speed vs. reliability; constant decision for manufacturers

### **Potential Routes**

- MG asked whether Dubois County businesses would specific categories of routes as preferable.
  - There are issues related to farmland and population density.
  - Going around Huntingburg on the east side avoid residential impacts on the west side.
  - A route angling east to Mitchell and the Bedford area would be preferred

### **Customers**

- *Describe the major end user markets for businesses you serve.*
  - *Where are they located?*
  - *How are finished products transported to customers?*
  - *Describe what you know about key bottlenecks to timely delivery of finished products.*
- 
- Travel to the north is slower and travel times are highly variable.
  - Many businesses go south to I-64 to then go north on I-69 or I-65.
  - This requires more time and added fuel expenses.
  - With Dubois County's low unemployment, attracting new businesses is a secondary priority.
  - The combination of access/logistics to the north along with the competitive labor market presently discourage business attractions.
  - Emphasis now is on attracting workers to Dubois County from surrounding counties.
  - Indianapolis is a main logistical hub.
  - The large majority of shipping to Indiana comes through Indianapolis.
  - Outgoing shipments to the north (Indianapolis) especially have to deal with undependable shipping times.
  - Air freight opportunities via Indianapolis currently are a missed opportunity.
  - MG noted that new businesses begin to be situated in areas 5 to 10 years after major transportation improvement increase accessibility.
  - MG also noted that the effects on existing businesses (lower transportation costs, more reliable deliveries and shipments) allow them to expand very quickly after the improvement is in place.

### **Transportation, General**

- *How important is transportation to future growth and development?*
- *Are there key target market sectors you seek to attract, especially in the logistics sector?*
- *Are key multi-modal facilities easy or difficult for businesses to use?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

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- The key need is to increase the local work force.
- Housing is an issue for entry-level workers.
  - Such a worker typically starts at \$12 to \$15 per hour pay.
  - Such individuals typically live in dual-income households.
  - There is a shortage of apartments and single-family homes which are affordable for such workers.
- Permitting requirements are not a significant issue for housing construction.
- Builders profit more for higher-tiered homes (+\$150,000)
- There is not yet a demand for constructing more affordable housing in larger quantities.
- 30 miles (about 30 minutes) is usually the limit of how far people will commute.
- Ease of commuter access is governed by the same accessibility issues as businesses face in freight deliveries.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 25, 2019      **Re:** Economic Development Interviews: Elliott Stone

**Location:** 7056 State Road  
158, Bedford IN  
47421      **Issue Date:** July 12, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Ralph Morgan  
(RM): Elliott  
Stone;  
  
Michael Grovak  
(MG):  
Lochmueller  
Group;  
  
Amy Hackbarth:  
Lochmueller  
Group

## ITEMS DISCUSSED:

Michael Grovak (MG) introduced the NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
- Particularly large projects sometimes use a tiered study when you have a complex project in a large study area.
- Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor.
- Tier 2 studies are more detailed and result in the section of an exact alignment.
- An EIS at its core evaluates project benefits, impacts and costs.
- The 12-county study area was explained along with the 2014 Governor’s Blue-Ribbon Panel report which found the Mid-States project was a major priority for the region and the state.



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- Explanation of the atypical funding of this Tier 1 study by a Regional Development Authority in conjunction with INDOT
- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
- These interviews are being conducted to receive input on regional freight and logistic needs.

Ralph Morgan (RM) begins explaining regional travel patterns.

- I-69 has been a benefit for Lawrence County.
  - Access to I-69 is quicker or slower depending upon where you are in the county.
- For Elliott Stone:
  - All the product is here
  - There are no inbound shipments.
  - Outbound freight from Elliott Stone has its issues.
    - Natural stone shipments usually are backhauls.
      - They are not the primary freight for the carrier.
    - Most freight trucking is contracted by the customer.
    - Elliott Stone does not have their own fleet.
    - There is a struggle to get trucks to this area
      - It is a relatively isolated region for freight shipment
      - Trucks generally come from the North
      - There are not reliable roads to access this area from the south.
- RM indicated on the study map a triangular region that is lacking north/south access.
  - This region is between I-69 to the West and I-64 to the South.
  - Access to the north and west is reasonable.
  - Access from the direct south or southeast is not reliable.
    - This area is a relative 'dead zone' for Elliott Stone.
  - Access from Louisville generally is via 2-lane roads in challenging terrain with no shoulders (e.g., US 50).

RM offered information on Elliott Stone

- It mines primarily dimensional limestone, a specialized type of large-block limestone.
- There is dimension stone throughout the United States in different forms (marble, granite, sandstone, etc.).
- The product generally is shipped to "wholesalers" (for lack of better word), and then sold direct to customers (i.e. Lowe's).

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- This unique product is shipped widely domestically and also internationally.
  - Large amounts are shipped to the east
  - It also goes to California and Texas, as well as other places.
  - Typically, distant places such as California and Canada require rail shipment (intermodal transport).
  - The closest intermodal rail facility is in Chicago.
- MG asked for other intermodal information
  - RM stated that international shipments are outliers.
  - They require some sort of boat transport.
    - 85-90% of product is shipped by motor freight.
    - The majority of the remaining shipments use motor freight to rail.
    - A small number of shipments are via water.
    - Elliott Stone sends around 800-1,200 trucks outbound a year.

RM discussed the implementation of electronic logs in motor freight.

- This added more cost and complexity to freight logistics.
- The use of electronic logs became a USDOT requirement in December of 2017.
- This has led to more driver travel during rush hours.
  - They are on the clock and cannot pull over.
  - This in turn has led to more serious accidents.
- Drivers are less likely to pick up shipments that are not conveniently located.
- This implementation also led to a 15% increase in product cost (due to added freight costs).
  - This briefly led to a dip in sales.
  - Sales have now normalized because customers realize that the freight costs cannot be lowered.
- MG explained the traffic forecasting model which is being used for this project.
  - Any effects due to the implementation of electronic logs would just begin to show up in traffic counts.
- Reduced time and increased dependability will encourage drivers to serve this area
  - Comments that truckers are being forced to pull off on ramps in order to avoid driving over their daily limit and adhere to rest requirements.
  - Strict checks of electronic logs by police officers and at weigh stations leads to heavy fines.
  - Road designers need to provide rest stops for drivers to avoid their stopping in dangerous places.
- Due to systematic added costs and inflexibility in motor freight, access to multi-lane and predictable travel time has never been more important or critical.

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RM further explains the benefits of a reliable route for drivers

- Even a 15- or 20-minute time savings is a huge benefit for drivers.
- Those savings accumulate.
- New business will look at transportation accessibility when deciding when to locate.
- Reliable transportation is necessary for future development
- A new road would open up economic advantages to this region
  - Comments on Jasper and its huge industrial base.
- The GM plant in Bedford is the largest industrial manufacturer for Lawrence County.
  - It produces aluminum castings for transmissions.
  - RM believes it is the only GM aluminum casting manufacturer in the nation.
  - Currently drivers must get to GM early, so there isn't a backup.
  - Otherwise they have to wait (which translates to lost revenue).
  - Currently no rail service in this area- so GM ships only by motor freight.
- States compete against each other for business.
  - Transportation is an element in this competition
  - Businesses will locate where it is economically advantageous.

MG concludes the meeting and gives a brief explanation of tiered studies and the timeline for the first Tier.

RM provides concluding remarks.

- Comments that there needs to be some thought about the roads which connect to the major roads (I-69, I-65, etc.)
  - Reliability also is an important factor for those roads.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 26, 2019      **Re:** Economic Development Interviews: Farbest Foods, Inc. and Wabash Valley Produce

**Location:** 1155 W 12<sup>th</sup> Ave, Jasper In 47546      **Issue Date:** Revised July 22, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Ted Seger (TS): Farbest Foods;  
Phil Seger: Farbest Foods;  
Ryan Downes: Farbest Foods;  
Roger Seger: Wabash Valley Produce;  
Brad Schnarr: Wabash Valley Produce;  
Andy Seger: Wabash Valley Produce;  
Michael Grovak: Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

ITEMS DISCUSSED:



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Ted Seger (TS) gives an introduction and explains the relationship between Farbest Foods, Inc. and Wabash Valley Produce.

- They are two separate companies, and their operations are distinctly different.
- However, the Seger family has ownership in both.
  - Wabash Valley Produce is 100% owned by the Seger family
  - Farbest Foods, Inc. is owned by the Seger family and Boar's Head

Michael Grovak (MG) introduced the Tiered EIS and the NEPA process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
  - Particularly large projects sometimes use a tiered study because you are dealing with a very large geographic area. Tier 1 considers "big picture" planning issues such as "build" vs. "no-build"; facility type; preferred corridor; and logical termini for "projects of independent utility" within the preferred corridor. Tier 2 studies are more detailed and result in the section of an exact alignment. And EIS at its core evaluates project benefits, impacts and costs.
- The 12-county study region was explained along with the Blue-Ribbon report which indicated that a north/south road was a top priority for the region and the state.
- Explanation of the unique funding of this Tier 1 study by a Regional Development Authority in conjunction with INDOT
- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections
- These interviews are being conducted to receive input on freight/logistics needs in the region.

TS states that they are aware of the project and have been approached by Hank Menke and Doug Bawel, and others who had been trying to gather regional support

Farbest/Wabash Valley have some concerns about some routes that being discussed because they have the potential to negatively impact operations (particularly Wabash Valley Produce). They wanted to refrain from getting involved (both positively and negatively) until they learned more about the project.

MG Explains the process of alternate selection and mentions that public involvement will be a crucial component of preliminary route selection. This information will be sought at public meetings, a project web site and electronic media.

Following is information about Wabash Valley Produce and Farbest Foods which was provided by those in attendance representing these two entities.

### **Wabash Valley Produce (WVP) information**

- Operates using a vertically integrated system (operation of its own feed mills, animal facilities, and then processing facility).
- A value-added business
  - Production of egg products (Liquid, blends, baked goods, salad dressings, etc.) They are not in the shell egg business.
  - They then sell these egg products to customers, which include Fortune 500 companies such as McDonald's, Tyson, etc.
- One of the 5 largest egg product companies in the US.
- Dubois County is the largest poultry county in Indiana and the United States
- WVP employs 200-300 people in Dubois County.

### **WVP Transportation impacts:**

- Majority of facilities are clustered northeast of Jasper (east of US 231, north of SR 56). Trucks are running from 6 large animal facilities to a processing facility in Wabash.
  - 50 trucks per day going between these two locations (animal facilities and processing facility) (100 trips, 50 round trip).
- Most inputs are feed ingredients coming from Wabash facility.
  - This includes 50 truckloads of corn/week which are coming from Spencer County, Pike County, Dubois County, Orange County, Washington County.
  - Other inputs (soybean meal, limestone, distillers' grain, etc.) add another 50+ truck loads/per week.
- Outbound loads are then distributed to customers that encompass a huge geographic area (Michigan, Carolinas, Georgia, Kentucky, etc.)

### **Concerns related to the Midstate's corridor project**

- The animal facilities and processing facility are densely clustered, high capital facilities.
- Each of the animal facilities are 'million-bird sites' and represent a significant amount of capital.
- The locations of these facilities are critical.
  - The animal facilities are clustered to maximize transportation to the processing facility. (3 million eggs/day and feed/input going between the two)
  - The nature of the industry requires that the animal facilities be away from significantly population areas
  - They purposely are located in a remote area
  - A major road nearby would not be ideal
    - Wabash Valley Produce purchased tracts of residential areas to provide a remote location.

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- Do not want a road that disrupts the cluster of large facilities, or a road that would cut off county road access in between facilities.
- Depending on the selected alternative:
  - It could be beneficial.
    - Easier access to input materials
    - Better access for end products
  - However, if the route would disrupt the facilities, it would be a problem:
    - Again, these are very expensive facilities
    - They would be very problematic to relocate
    - County road access and remote location is critical.

#### **Farbest Foods Information**

- Farbest employees 1,000+ employees in its 2 main processing plants (Huntingburg, IN & Vincennes, IN)
- In 2018, Farbest Farms had 225 contract turkey growers (farm families) in southern Indiana, Kentucky, and southern Illinois.
- The greatest concentration of these farms is in Dubois/Martin County area.
- It also has 9 company-owned farms.
  - Family-owned operations are contracted with Farbest Foods on a 5-7-year basis.
  - Farbest Foods, Inc. own all the live turkeys, feed, and medication
  - The contracted grower owns the land, buildings, supplies, labor, and utilities
  - Growers are free to use their own best care practices for animal husbandry, following National Turkey Federation Animal Care Guidelines.
  - The grower farms then receive a grower payment.
- All the turkeys grown on farms are taken from the farm to one of two processing plants
  - 60,000 turkeys are processed each day.
  - This translates to 650,000,000 pounds of turkeys processed annually.
  - Farbest is the 4<sup>th</sup> largest turkey company in the United States.
- JFS milling is a separate corporation with identical ownership to Farbest Foods, Inc.
  - 2 locations- Dubois, IN and Bruceville, IN.
  - JFS provides all the feed for the Farbest Farms.
  - The feed input is procured by contract with Wabash Valley Produce.

#### **Transportation impacts of Farbest Foods, Inc.**

- 570 truckloads of finished feed going from JFS milling to each of the 225+9 Farbest Farms a week.
- 350 truckloads of live turkeys coming from the 225+9 Farbest Farms to the 2 processing plants a week.

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- About 300 truckloads of product leaving processing plant outbound to customers a week plus an additional 30 truckloads of unusable product outbound a week.
- Total of about 1,900 truckloads per week total (ingredients, inbound, outbound, etc.) a week. This is one way.
- County roads are important in all of this. A requirement of contracted farms is that they be near an accessible county road
  - Must think ahead about what would happen if this access was cut off by a new corridor.

Deliveries are also time sensitive

- Incoming live turkeys are time sensitive for obvious reasons
- That why the farms are in a compact area.
- Outgoing goods are also time sensitive (80% are fresh) which require overnight delivery.
  - Midstate Corridor has the potentially to positively impact outgoing deliveries.

Meeting wrap-up and next steps to keep Farbest Foods and Wabash Valley Produce involved in the project and future input.

- Contacts will be Ted Seger and Brad Schnarr
- MG describes the plans for continuing public involvement (project office, website, public meetings, etc.)

Both companies stress the importance of their involvement and input in this project.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 19, 2019      **Re:** Economic Development Interviews: Glenmore Distillery

**Location:** 2001 E 4<sup>th</sup> St,  
Owensboro KY  
42303      **Issue Date:** July 11, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Jonathan Guillen  
(JG): Glenmore Distillery;  
  
Amanda Clary  
(AC): Glenmore Distillery;  
  
Michael Grovak  
(MG): Lochmueller Group;  
  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) provided an introduction on NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
  - Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.



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- The region of the Mid-States corridor was described, including the starting point (US 231 in Rockport), US 231 to Jasper/Dubois Co., and then either a continuation East or West, to continue north to I-69.
  - Owensboro is pointed out on the Midstate's Corridor Study DRAFT map
  - The analysis of proposed routes will be determined by the three aspects mentioned above (cost, impact, benefits)
    - Logistics and freight movement are a large part of this evaluation which leads to the reason and context of this interview.
    - They are being conducted to identify key needs as seen by businesses and economic development officials in this region.
  - Explanation of how Glenmore Distillery's name was involved in these interviews. Contacts at Meyer Distributing (Jeff Braun/Matt Schaick) mentioned that Glenmore could provide valuable input.

The following points correspond to the interview agenda. Unless otherwise indicated, they represent input from Jonathan Guillen (JG) or Amanda Clary (AC).

### **General**

*Describe your business process at a high level.*

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*
- *What are your key finished products?*
- *What are the critical aspects of your business/production process?*

(AC):

- Glenmore's facility mainly handles cased goods that are going outbound
  - Distribution center ships to all 50 states, as well as internationally.
  - This DC is one of 10 Sazerac (Parent Company) distilleries in the United States
    - Glenmore Distillery is the largest
    - All distribution centers go by different names
- The production of the alcohol (spirits) takes place at Glenmore Distillery and then is transferred to the Distribution Center to be shipped outbound.
- Outbound shipping is intermodal (rail containers, trucks, tanker cars)
- Inbound shipping is also intermodal (barge, rail, tanker cars)
  - Many inbound rail containers are coming out of St. Louis and Louisville

MG asked if they operated on Norfolk Southern

(AC): No, but mentions they used to use CSX out of Evansville services, before they shut down operations at that location.

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MG followed up to ask if Glenmore Distillery currently uses rail operations in Indianapolis, or if it would be an option if there was a more direct connection.

(AC):

- Explains freight bidding process
  - Every 2 years, there is a bidding process with brokerage companies. These companies then are responsible for making decisions about the route and logistics from the distillery to the customer (wholesaler).
    - The contracting companies receive information (where the load is going, what time it must be there, etc.) and then they pick the load up and determine how they will deliver the product in the required time frame
    - Usually about 10 days from order to delivery.
  - If there were cheaper intermodal options (such as Indianapolis), then that would be of interest to the brokerage companies because they would be able to offer a more competitive bid.
- Two types of price models for delivery
  - 1) CIF= Cost in Freight. The cost of the shipment is included in the cost of the product. Glenmore deals with distribution costs and charges the customer.
  - 2) Collect. The customer or wholesaler is charged at delivery for the costs of delivery.

MG asked if there are currently any geographic areas where there are logistical constraints that they are aware of with their contractors.

(JG):

- It comes down to brokerage companies offering a competitive bid
- In general Owensboro is facing challenges due to its location and lack of major highways/interstates that come through it.
- If there was better infrastructure serving Owensboro, then freight companies would be more willing to pick up here.
- Centralized locations save shipping costs.

(AC):

- Comments that issue should be characterize as “expensive” to serve rather than “difficult” to serve.
- We can deliver anywhere we need to, but inadequate access leads to higher freight costs.
- In general, the farther you are from larger roads, the more expensive it is.

MG asked if Glenmore Distributing operates any of its own fleet

(AC):

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- The vast majority of shipping is contracted.
- We do operate a small fleet of 5 trucks that only go between Lewistown Maine and Kentucky
- Many different companies serve the distribution center daily.
  - Some of these are “asset-based carriers”
    - These operate their own equipment.
    - They work directly with the distillery to transport to the customer.
    - This is a different arrangement than using a freight brokerage.
- For States where alcohol is controlled by the State (ABC= Alcoholic beverage control state) the alcohol must first be shipped to State owned warehouses.
  - Usually this involves the use of freight companies with a longer working history.
  - Stricter regulations/time lines require they be reliable.

MG asked about the level of daily outbound shipping.

(AC):

- 150 Trailers outbound/ per day
  - Trailers are considered full loads (closest they can get to 80,000 lbs. gross weight.
  - This is the legal limit.
  - Of this 80,000 lbs., 42,000 lbs. is product.

MG concluded the meeting and asked for any further comments.

JG mentioned that he can follow up with the contact information of leadership in his logistics department. They might have more information about high-level routing patterns and logistical bottlenecks.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 26, 2019      **Re:** Economic Development Interviews: Jasper Engines and Transmissions

**Location:** 815 Wernsing Rd,  
Jasper IN 47546      **Issue Date:** July 16, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Doug Bawel (DB):  
Jasper Engines;  
Michael Grovak (MG):  
Lochmueller Group;  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Michael: Introduction on NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
  - Particularly large projects sometimes use a tiered study because you are dealing with a very large geographic area. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are more detailed and result in the section of an exact alignment. And EIS at its core evaluates project benefits, impacts and costs.
    - Brief explanation of the timeline of the Tiered process and the explanation that Tier 1 will be completed in 2 years.

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- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
- The process of specifying preliminary alternatives and then screening to a smaller number of detailed alternatives was described.

### **General**

*Describe your business process at a high level.*

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*
- *What are your key finished products?*
- *What are the critical aspects of your business/production process?*

Doug Bawel (DB):

- Nation's largest remanufacturer of drivetrain components including gas and diesel engines, transmissions, differentials, rear axle assemblies, marine engines, stern drives, performance engines, and electric motors
- Jasper Engines is a unique business in the area because there are three large manufacturing plants in Jasper
- Currently they are doing six 'shuttle runs' every day down to I-64 and over to Crawford County, where a large distribution center is located, and products are shipped to all corners of the US.
- Have 3 aircrafts at the Dubois County Airport.
- Contract 2/3 of motor freight, and 1/3 is their own fleet.
  - A total of 65-line haul trucks, and 130-line haul drivers.

(DB) addresses the study map

- States that alternatives going East would be the most expensive and would potentially disrupt the large amount of poultry and egg production that occurs in Northeast Dubois County and Martin County.
  - Comments that he recently visited a few of the egg production facilities and due to the remote location and large area of land that is required of these facilities, a disruption should be avoided.
  - Further acknowledges that he understands that an Eastern route is what is preferred by other large Jasper businesses (Meyer, Kimball).
- Due to the distribution center in Crawford County, an improvement of 37 from I-64 to State Road 62, would be the most beneficial to Jasper Engines.
- States that has suggested for a preliminary route that would go around the west side of Jasper and through Petersburg to connect to I-69

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- It would be the cheaper option due to the short connecting length
- Also believes that land in that area has already been purchased as a previous anticipation.
- Also states that topographically it is on higher ground

### **Transportation, General**

- *What key multi-modal facilities do you use for supplies or deliveries?*
- *Are these multi-modal facilities easy or difficult to use?*
- *How much do transportation bottlenecks restrict your markets (for either suppliers or customers for your finished products)?*
- *What are chief causes of variability of shipping time for inputs or finished products?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

(MG) asks specifically about any inbound or outbound supply/distribution issues

(DB):

- Outbound shipping is less of an issue because distribution is occurring in Crawford County where there is close access to I-64.
  - Outbound volume: Every major city in the US receives Jasper Engine product 5x a week and then is shipped to other places from there.
- As far as bottlenecks/issues
  - 231 from the North of Jasper up to Crane is an unreliable and 'dangerous' road, and is avoid as much as possible
    - Comments that he believes equipment from Crane is being transported on 231 through Jasper, which due to the congestion, is very dangerous and an accident would be disastrous.

(MG) has the forced implementation of electronic logs influenced cost or practices?

(DB):

- It has made things safer, but there are some flaws with the system
  - Strict enforcement of rest time has caused some issues (i.e. a driver being 20 minutes away from home/destination being forced to pullover)
  - But overall, it has reduced the number of drivers who were driving unsafe amounts and made things safer.

(MG) is variability in ship times an issue?

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- Planning resolves many of those issues but planning is easier on interstates as far as accident awareness.
- Comments that safety on 231 is more of an issue to him than travel time variability.

(MG) Is workforce availability an issue?

(DB):

- Workforce availability is the #1 problem
- The reason for the location of distribution center in Crawford County is due to higher workforce availability
- There are more jobs than people in Dubois County.

(MG) concludes the meeting and asks if Doug would like to add anything else

(DB) The things that are most important to him to be addressed by this project are:

- 1) Increasing safety
- 2) Business economics (including the poultry industry)
- 3) Cost
- 4) Thorough evaluation of alternative routes.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 19, 2019      **Re:** Economic Development Interviews: Lincolnland Economic Development Corporation (LEDC)

**Location:** 2792 N US HWY 231, Rockport IN 47460      **Issue Date:** July 11, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Tom Utter (TU):  
Lincolnland Economic Development Corporation  
  
Valerie Schmidt (VS): Lincolnland Economic Development Corporation  
  
Michael Grovak (MG):  
Lochmueller Group  
  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Tom Utter (TU) began the meeting with an introduction to Riverview Energy project. The meeting addressed a number of topics related to the Mid-States Corridor project. TU was familiar with the Mid-States project prior to the June 19 meeting.



### **Riverview Energy Project**

- The Riverview Energy project was just approved for a Title V air-operations permit from the Indiana Department of Environmental Management. This will now advance the project to the Corps of Engineers permits.
  - Owners will soon be exercising options on the ground (acquiring land) for this project.
  - This development will soon be followed by more development in this area (amenities, restaurants, fueling stations, etc.). Land developers/realtors/land owners are moving towards commercialization in this area.
- Riverview's interest in Spencer County stems from Spencer County's willingness to promote coal industry (TU stated "we aren't scared of coal") and town of Dale's willingness to annex land.
- The Riverview project will involve the hydrogenation of coal, without using combustion and gasification. It will convert coal through high pressure into ultra-low sulfur transportation fuel.
  - When combusted in a diesel truck/tractor this fuel will have 70% fewer emissions than traditional petroleum fuel.
  - Daily production is anticipated to be 13,000 barrels/day of low sulfur diesel and 7,000 barrels/day of low sulfur naphtha.
  - There is an attraction to Indiana coal because of its high sulfur content.
    - This allows higher quantities of sulfur to be extracted.
    - There is a market for this secondary sulfur.
  - The product will go outbound on railcars to Country Mark, or elsewhere)
    - These potentially will travel on unit trains.
      - These receive priority treatment by railroads.
      - They must be at least 100 cars long, and have a single destination.
    - There is currently a Norfolk Southern grade separation at US 231.
- This project must be considered by the Midstate's corridor project, because the proposed location of the Riverview facility is near the US 231/I-64 interchange.
  - TU points out that there are current issues with the J-turn design currently at this intersection.
  - He stated that there have been fatalities due to an at-grade crossing.
  - The development of this area (near I-64 and 231 intersection), will lead to more traffic, which in turn could lead to more fatalities if this intersection is not modified to "interstate standards".
    - Comments further that he believes INDOT's solution will be traffic control measures such as traffic lights

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- However, he believes that installing traffic lights instead of grade separations would undermine the benefits of the proposed Midstate's corridor.

Michael Grovak (MG) asked if there are specific land development plans for this project.

- TU stated that the project has advanced to the permitting stage.
- There are not final construction plans.
- INDOT is treating this as a "blue sky project"
  - Nothing is firm enough to talk about traffic impacts.
  - However, INDOT is aware of the potential for development at this location.

### **Other Potential Development**

TU cited other potential projects that may influence development on/around US 231.

- Currently in negotiation for a \$100 million project that may be built 4 miles north of LEDC on US 231.
  - This location has a strong possibility being selected.
  - Assumption of 100+ employees, who would be entering and exiting at grade
  - This development would be proximate to AK Steel.
  - Would like to work with INDOT on a combined access point for both businesses.
- Spencer County is competing for another \$3 billion project.
  - It would be about four years in the future.
  - Its employees would also access US 231 at grade.
- Spencer County has available land, and many assets being marketed to potential industries/developers.
  - Large projects are looking seriously at this area.
  - Potential hold ups could be due to logistics or the lengthy processes involved for approval (permitting).

### **NEPA Process**

MG took the opportunity to give an introduction on NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
  - Particularly large projects sometimes use a tiered study because you are dealing with a very large geographic area. Tier 1 considers "big picture" planning issues such as "build" vs. "no-build"; facility type; preferred corridor; and logical termini for "projects of independent utility" within the preferred corridor. Tier 2 studies are

- more detailed and result in the selection of an exact alignment. And EIS at its core evaluates project benefits, impacts and costs.
- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
  - The process of specifying preliminary alternatives and then screening to a smaller number of detailed alternatives was described.
  - MG elaborates on the unique way this study is being funded
    - The Regional Development Authority (RDA) has an official status as a participating agency and is the authority that is funding the Tier 1 study for this project.
  - Further explanation of the 12-county region, and the termini for this project.
    - Begins at the Natcher Bridge.
    - Follows US 231 corridor to Jasper.
    - At that point road connects to I-69 (possibly via SR 37).
    - Routes to the west, north and east will be considered.
    - Later in the meeting, MG clarifies that the existing 4-lane US 231 in Spencer County will be evaluated.

#### **Vision for Mid-States Corridor**

- TU reiterated his wishes for the Midstate's corridor project to remain as an 'open artery'
- Must consider future transportation needs, not just current conditions.
  - Believes that addressing only short-term needs is shortsighted.
- He will continue to push for an 'open artery'
  - Tried to get Spencer County to purchase land at the current at-grade intersections for future planning.
- Referenced a conversation with Mitch Daniels, where the vision of a road from Bowling Green up to West Lafayette was mentioned (by Tom)
  - Mitch Daniels commented that the vision had to start one day.
  - He made the point that this has been a visualization/concept for some time.
- Mentions that trucks/businesses from Birmingham, Alabama have stated that they would be willing to pay a toll to get around Louisville, KY and Indianapolis, IN.
  - This emphasizes the desire for a faster route to the north, than currently exists.

TU shows a map of an EDA (Economic Development Administration) project of a portion of the current 4-lane 231.

- States that they studied a large area of land where we are now and where the Norfolk Southern line runs parallel

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- Economic Development Administration provides economic development assistance to communities (investments, technical assistance, infrastructure construction) to leverage existing regional assets.
- Clarified role of Lincolnland Economic Development Corporation
  - Majority of funding is received from Spencer County
  - Describes LEDC as an 'arms-length non-for-profit industrial board'

### **Potential Project Benefits**

MG described the type of forecasting models that will be used for this project

- Most State Departments of Transportation have traffic forecasting models.
  - Present & future land use is evaluated forecast future traffic flows.
  - These models forecast how traffic flows would be modified by a new project.
- This project will use portions of the Indiana, Kentucky and Tennessee models.

TU described the benefits that the corridor would provide for Spencer County and the region.

- Increased tourism benefits
  - Mentions Holiday World (Guests coming from a large range (St. Louis, Tennessee, Indianapolis, etc.)
  - Spencer County is home to Lincoln Boyhood Memorial, Lake Rudolph (a large and successful RV park)
- Greater access to educational institutions for Spencer County residents
  - Many of higher education institutions (VUJC, IUPUI, IU, etc.) are located north of Spencer County.
- Agricultural benefits
  - Spencer County is home to a successful port for loading barges (grain loading)
  - SuperiorAg just opened a \$25 mil feed facility near I-64 in Huntingburg, IN which will serve surrounding counties.
    - Berry Day (President of SuperiorAg) would be a good business to interview and would be able to provide information on its logistics
- Increased efficiency of intermodal operations
  - Norfolk Southern lines
    - Serves AK Steel
    - Crosses US 231 with grade separation
  - Hoosier Southern Railroad
    - Short line rail operated by the Tell City Port Authority.
    - Runs from Tell City through Spencer County to connect with Norfolk Southern.
- Increased industrial benefits

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- Spencer County:
  - Thermwood, Spencer Industries, AEP Power Plant, AK Steel (Rockport Works) are all major employers that are located on US 231 corridor.
  - Santa Claus Industrial Park would be benefited by an improved route.
    - Curtis Maruyasu of America delivers JIT from the Santa Claus Industrial Park to Princeton Toyota plant.
    - James Spalding is VP of this company
- Dubois County
  - Kimball International is headquartered in Dubois County.
    - It operates a warehouse in Dale.
    - It has a logistic arm out in Santa Claus.
    - It operates a large fleet of trucking
  - Cannot overstate the 'economic powerhouse' that Dubois County is.
    - It employs people from surrounding counties.
    - Increasing workforce access to Dubois County is important.
    - Dubois County deserves a 'wide open chance'

TU stated the direction that Mid-States takes after Dubois County (East, West, directly North) is less important to Spencer County than just building a faster/safer road connecting North.

- He would back and support any direction for the preferred alternative.
- A road that promotes agriculture, industry, education, and tourism is the end goal.

MG made summarized many of TU's comments as stating safety must be enhanced on existing 4-lane US 231, added economic growth must be supported, and Spencer County would be well-served by a variety of route options

TU agreed with MG and added concluding remarks

- Reiterated the need for improvements on existing 4-lane section of US 231.
  - Without intersection improvements, the entirety of the project is inhibited.
- If the LEDC can add value to the study, it would be happy to provide information.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 26, 2019      **Re:** Economic Development Interviews: Masterbrand Cabinets

**Location:** 1 Masterbrand Cabinets Dr, Jasper IN 47546      **Issue Date:** Revised July 17, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Todd Whalen (TW): Masterbrand Cabinets;  
Matt Agler (MA): Masterbrand Cabinets;  
Michael Grovak (MG): Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) introduced the Midstate’s corridor project and Environmental Impact Statement (EIS) process

- Brief background information on Governor Pence’s Blue-Ribbon Panel Report which indicated that this project is a major priority to the region
- Regional push for this project led to the establishment of a Regional Development Authority (RDA) which is working with INDOT to fund the Mid-States Tier 1 EIS
- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.



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- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring needs such as accessibility, congestion, economic trends, and logistical connections.
  - These interviews are to develop the Purpose and Need to identify regional economic patterns by meeting with key businesses and associations.

Following are points from the meeting agenda. Unless otherwise indicated, they represent comments by Todd Whalen (TW) or Matt Agler (MA)

### **General**

*Describe your business process at a high level.*

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*
- *What are your key finished products?*
- *What are the critical aspects of your business/production process?*

(TW):

- Masterbrand is one of the largest cabinet manufacturers in North America
  - It provides custom and high-quality cabinetry.
  - It provides cabinets for both new homes and remodels.
  - 1 in 4 kitchens in America has Masterbrand Cabinets.
- The production facilities that are impacted by this project are the plant in Jasper, the plant in Ferdinand (the largest facility), and the plant in Huntingburg which is mainly used for raw material input to the other sites.
- There is no easy way to get out of Jasper. Route miles could be reduced by a more efficient route.
- Majority of motor freight is with contracted carriers
  - They operate a private fleet in Waterloo, but that accounts for a small portion of its freight.
  - They use both large and small carriers
  - Their shipments require multiple stops
    - This tailgate delivery practice limits the carriers that they can use.

### **Suppliers**

*Describe your key suppliers of input materials.*

- *Where are they located?*
- *How are your key inputs transported to your location?*
- *How time sensitive are the delivery times for your key inputs?*

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- *Please describe key bottlenecks or obstacles to timely delivery of your input materials.*

(TW) and (MA) describe importance of supply chain and reducing delivery variability

- Majority of inbound raw materials are coming from the Carolinas, Pennsylvania, Minnesota, Wisconsin
  - Materials really come from “all over.”
  - 90+% of inbound materials are arriving in drive in truck load dry vans, LTL trucks, and flatbeds.
- For Masterbrand, the biggest issue is not transportation bottlenecks, but supply availability.
  - Input supplies must keep up with the demand for our products
  - (TW) gives the example of a supplier shutting down 3 mills that produce wood boards and how that will/did impact its supply chain.
- Managing supply chain variability is critical- from supply variability to customer variability to global climate variability.
  - Supply chains shift due to global business climate – and you must be responsive to those changes.
  - To reduce variability good infrastructure is necessary to protect against weather, road work, etc.
  - Dependability and maintenance of existing infrastructure helps reduce the hidden costs that occur when something does happen that affects the supply chain.

### **Business Inventory**

- *How much inventory (days/week of use) do you need to keep on hand?*
- *Do undependable delivery times cause you to stockpile large amounts of inventory.*

(TW):

- Masterbrand is very inventory focused
  - Products are highly customized
  - This makes inventory management very important
- Every kitchen is a different design therefore products are made to order
  - Storage of finished goods inventory is non-existent
  - Inventory consists only of raw materials
- The time frame from the order of the customer to delivery is 4- 6 weeks

### **Customers**

*Describe the major end user markets for businesses you serve.*

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- *Where are they located?*
- *How are finished products transported to customers?*
- *Describe what you know about key bottlenecks to timely delivery of finished products.*

(TW) Customers are located pretty much everywhere (1 in 4 kitchens has Masterbrand Cabinets), but he would categorize the bulk of customers being East of the Mississippi and in California.

### **Transportation, General**

- *What key multi-modal facilities do you use for supplies or deliveries?*
- *Are these multi-modal facilities easy or difficult to use?*
- *How much do transportation bottlenecks restrict your markets (for either suppliers or customers for your finished products)?*
- *What are chief causes of variability of shipping time for inputs or finished products?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

MG asked how much use Masterbrand makes of intermodal facilities

(TW) and (MA):

- There is a rail spur at the Huntingburg facility that ships materials to California through Chicago
- However, intermodal transport is not a big aspect of their business.
  - The vast majority of shipments are truck-based (LTL, dry van, flatbed)

MG asked about the effects of electronic logs on shipping costs or practices

(TW):

- It caused 2% of shipping market to go out of business (Older trucks, older drivers)
- Many drivers were running more miles than they safely could
- It is easier to manage fleets
  - Formerly you had to rely on paper logs
  - Fleet data now are more accessible
- Last year the transportation industry had an unprecedented supply and demand issue.
  - The demand greatly exceeded the supply of trucks and operators
  - There were not enough trucks on the road to fulfill demand.

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- This year, the supply is keeping up better and the demand is decreasing slightly.
- As far as cost increases, Masterbrand had a good relationship with carriers
  - It was able to manage its costs.
  - Businesses that are smaller or did not have a long-standing relationship with carriers could have seen as much as a 50% cost increase in freight shipping.
  - Strength in volume of products.

(MG) Asks about workforce availability issues

(TW) and (MA):

- Very large problem for production, but also transportation
  - Many truck drivers are over 55 years old, and drivers in their own fleet are 58+ years old.
    - Younger workers do not want to be truck drivers
- They are currently employing staff from an hour radius just for the plant in Jasper
- Housing is also in issue in workforce availability
  - There are lower margins and more risk on type of housing that is needed for lower-wage employees.
  - Material costs are also increasing and fluctuating, which adds risks to builders.

(MG) describes traffic forecasting model being used which will help evaluate commuter shed

(TW) Comments that younger people want to live in an urban area and attracting them to Jasper and retaining them is hard.

- There must be ways to decrease commuting time to attract employees.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 26, 2019      **Re:** Economic Development Interviews: Meyer Distributing

**Location:** 560 E 25<sup>th</sup> St,  
Jasper IN 47546      **Issue Date:** Revised July 17, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Matthew Schaick  
(MS): Meyer Distributing;  
  
Jeff Braun (JB):  
Meyer Distributing;  
  
Michael Grovak  
(MG):  
Lochmueller Group;  
  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) introduced the Midstates Corridor Project and Environmental Impact Statement (EIS) process

- Brief background information on Governor Pence’s Blue-Ribbon Panel Report which indicated that this project is a major priority to the region.
- Regional push for this project led to the establishment of a Regional Development Authority (RDA) which is cooperating with INDOT to fund the Tier 1 EIS.
- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.



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- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
  - A thorough Purpose and Need is key in withstanding any litigation
  - These interviews are an important part of the Purpose and Need
  - We are interviewing key businesses and associations about regional freight and logistic needs.
- Timeline and explanation of the tiered process of the study
  - Particularly large projects sometimes use a tiered study because you are dealing with a very large geographic area. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are more detailed and result in the section of an exact alignment.
  - Tier 1 of this study should be complete in 2 years.

Items cited below are from the meeting agenda. Unless otherwise indicated, they represent input by Matthew Schaick (MS) or Jeff Braun (JB).

### **General**

*Describe your business process at a high level.*

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*
- *What are your key finished products?*
- *What are the critical aspects of your business/production process?*

(JB)(MS):

- Meyer Distributing is in short, an auto parts distributor.
- It uses a hub and spoke distribution model.
  - This model simplifies and makes routings more efficient.
  - It uses a system of distribution centers and cross docks.
  - It is a standard distribution logistic model.
  - This means that for every minute a distribution center is closer to major arteries, the closer destinations can be, which increases the coverage rate.
- In the context of this project, getting south to Nashville and north to Indianapolis is important.
  - Getting to I-64 is currently an issue.
    - US 231 is congested and windy
    - It has many traffic signals which decrease efficiency.

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- Main location is in Jasper
- Inability to quickly get north or south from Jasper impacts ability to get to every location in operation. Currently use US-231 to get to I-69 and to I-64 for all N/S & E/W access points. This delay (10 or 15 minutes), requires termination location points on each lane to be closer to Jasper which reduces the ability to reach more customers next day from main inventory HUB (Jasper).
  - Millions of people that are otherwise shifted to 2<sup>nd</sup> day from our main inventory position in Jasper
- Outbound shipments occur in the evening and at night when there is less congestion
  - Even with night operations, it is slower than it should be to get north or south.
- Use only company-owned fleet and company-employed drivers.

### **Business Inventory**

- *How much inventory (days/week of use) do you need to keep on hand?*
- *Do undependable delivery times cause you to stockpile large amounts of inventory.*

(JB) (MS):

- Time sensitivity of deliveries is getting more important everyday due to larger-scale economic trends (such as Amazon).
- The quicker we can operate to destinations, the more cost-effective we are

### **Customers**

*Describe your major customers*

- *Where are they located?*
- *How are your finished products transported to your customers?*
- *How time sensitive are the delivery times for your finished products?*

(JB) (MS):

- Customers are located everywhere
- There are 20,000 shops we distribute to (10,000 of these are regular)
- 1,000+ manufacturers are represented

### **Transportation, General**

- *What key multi-modal facilities do you use for supplies or deliveries?*

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- *Are these multi-modal facilities easy or difficult to use?*
- *How much do transportation bottlenecks restrict your markets (for either suppliers or customers for your finished products)?*
- *What are chief causes of variability of shipping time for inputs or finished products?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

(JB) (MS):

- Do not use multi-modal facilities, only motor freight
  - Rail is not timely or convenient
- Repeat comment on main transportation bottlenecks being entering/exiting Jasper going either North or South (congestion, stoplights, terrain)
  - Trucks exiting Jasper have an easier time because of evening operations
  - Returning in the morning is an issue due to issues stated above.
- Regarding potential alternatives and logistical flow for Meyer Distributing
  - To go directly North on US 231 would be the most direct route, but it would be problematic in terms of impacting populated areas.
  - It would open up possibilities for Crane because right now US 231 is unreliable
  - To go East would increase economic development in French Lick area and traffic flow.
  - Going West would not be helpful to Meyer in terms of logistics.

MG briefly explains public involvement process and preliminary route input. Adds that these sorts of input are what we hope to gather at public involvement meetings.

- MS Comments that he will be vocal and participatory at these initial meetings.

MG explained regional transportation model that is being developed to compare benefits of different alternatives by the connections they make. It considers effects of alternatives across a large geographic scope.

MG asked if implementation of electronic logs has influenced shipping costs or practices

(JB) (MS):

- There have been costs associated with installation of technology on trucks
- Ultimately costs have been passed along downstream to consumers in some fashion
- Meyer ships to the same locations every day, generally using the same routes (barring any accidents) so they can predict exact driving hours for drivers.
- Meyer has not seen much benefit from the implementation, but other companies may have seen a benefit due to the addition of a GPS if they did not have one before.

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- Drivers who did not adhere to hours requirements were a safety issue, so there has been benefit on limiting driving time
  - However, the implementation has forced more experienced drivers into early retirement and replaced them with newer drivers who do not have as much experience
- Another unintended consequence is the zero flexibility on forced rest hours.
- Drivers are forced to pull over 10-15 miles from home, which among other issues, is a safety problem.
  - There is not enough 'interstate parking' to properly accommodate the mandate without impacting trucking financial viability.
  - There is also limited flexibility on yard moves.

MG asked how much of an issue is workforce availability?

(JB) (MS):

- In Dubois County, it is a huge problem. (Currently have around 2.1% unemployment)
- A road that would expand commuter reach would be helpful in increasing workforce
  - Majority of workforce comes from the south between Jasper and Evansville
  - US 231 from I-64 adds quite a bit of time to the commute
  - Even a 10-minute gain would be a huge improvement for work commutes.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 13, 2019      **Re:** Economic Development Interviews

**Location:** 534 Mozart St,  
Tell City, IN  
47586      **Issue Date:** Revised July 3, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Ken Mulzer Jr:  
Mulzer Crushed  
Stone;  
  
Michael Grovak:  
Lochmueller  
Group  
  
Amy Hackbarth:  
Lochmueller  
Group

## ITEMS DISCUSSED:

### **Background – NEPA Studies**

Michael Grovak (MG) explained the reasons for the interviews and focused on the current Tier 1 Mid-States Environmental Impact Statement (EIS). It is being conducted to satisfy the requirements of the National Environmental Policy Act (NEPA). Mr. Mulzer serves on the Board of the Mid-States Corridor Regional Development Authority (RDA), and is well-acquainted with the history of this project. The following bullets summarize Mr. Grovak's background.

- NEPA studies assess project benefits, costs and impacts.
- The selected alternative is that which best balances benefits, costs and impacts.
- The Purpose and Need is the formal assessment of needs within the project area.
  - The project Purpose and Need has many technical analyses (safety, congestion, accessibility, economic needs).



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- These interviews are to assess regional logistic and freight movement needs.
- Purpose and Need is a key item of litigation in many NEPA studies.
- The draft purpose and need will be presented at public meetings the first week of August.

The following sections correspond to portions of the interview agenda. Unless otherwise noted, they represent input from Ken Mulzer (KM).

### **General**

Describe your business process at a high level.

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*
- *What are your key finished products?*
- *What at the critical aspects of your business/production process?*
  
- Mulzer Crushed Stone is a limestone mining company.
  - It is used in asphalt and ready-mix concrete which is then used for construction of highways.
  - It also produces chemical grade limestone to clean emissions of coal fired power plants.
- The Ohio River is a major transportation artery.
  - It ships product on the Ohio as far as Pittsburgh.
  - River logistics are very important for Mulzer.
  - It allows product to be shipped longer distances for a fraction of the cost of truck.
  - This provides a large competitive advantage over companies that rely on trucking only.
- Geographic Distribution of Mulzer Crushed Stone:
  - KM pulls up map that is on Mulzer Crushed Stone website <https://www.mulzer.com/locations/>
  - Highlights:
    - Website shows 6 Mulzer owned quarries generally clustered in the Orange, Crawford, Harrison and Clark County region
    - KM explains that limestone quarries occur in a “bowl shape” (Bloomington to St. Louis to Bowling Green) (Creation of a bowl outline)

### **Customers**

- *Where are they located?*
- *How are your finished products transported to your customers?*

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- *How time sensitive are the delivery times for your finished products?*
- *Please describe key bottlenecks or obstacles to timely delivery of your finished products.*
  
- Limestone deposits in Indiana (near Evansville) are far below the surface (about 2,500 feet).
- Limestone is closer to the surface in areas where they are actively mining.
  - These counties (Orange/Harrison/Crawford) have lower population.
  - The product must be transported to where the people/clients are.
  - The Ohio River is the major way this product is received in Evansville
- Of Mulzer's 6 quarries:
  - 3 use the river as the sole means of transport.
  - The other 3 quarries rely on I-64 and SR 64 to go West, and 150 to go towards Loogootee and Washington.
- Mulzer does not have many customers east of its quarries.
  - Freight costs make it non-competitive with other quarries located to the east.
- Mulzer currently has a fleet of 45 trucks
  - It has brokerage arrangements with 100 more
- Mulzer owns its own fleet of barges and boats

### **Transportation, General**

- *What key multi-modal facilities do you use for supplies or deliveries?*
- *Are these multi-modal facilities easy or difficult to use?*
- *How much do transportation bottlenecks restrict your markets (for either suppliers or customers for your finished products)?*
- *What are chief causes of variability of shipping time for inputs or finished products?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*
  
- Mid-States offers little logistical advantage to Mulzer.
- However, the economic development potential is significant for Mulzer.
  - Overall economic development leads to more people and businesses.
  - This will increase Mulzer's market for government, business and residential construction.
- Mulzer has few needs for input materials.
  - They mine and ship their product.
  - Essentially all of its freight consists of outbound shipments.

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MG asked about Mulzer's workforce needs, and whether workforce is a constraint to business activities.

- The majority of Mulzer quarries are in areas with limited population.
- This makes obtaining adequate workforce challenging.
- Quarries are located proximate to the Hoosier National Forest.
  - These areas have little development or influx of population.
- Quarries have a large range of employment (15-125 employee)
  - 15 employees are in barge operations
  - Mulzer has **600 employees** total (barging, trucking, blasting, construction)
  - Wide variety of skills needed

MG asked if there are any key transportation bottlenecks.

- For Mulzer and most other firms, US 231 from Dale thru Jasper is "a disaster."
  - It is substandard for moving product, people, etc.
  - It is overused in terms of its design and capacity.
- Transportation bottlenecks are an important reason for his involvement with the RDA.
  - For the economic powerhouse it is, Dubois County should not have the logistical issues it does.
  - A north-south connection is lacking, especially north out of Dubois County.

MG confirmed that KM is the only non-Dubois County member on the RDA Board (he represents Spencer County). MG also asked about how support could be garnered from other parts of the region.

- Since the I-67 coalition was formed, Spencer County, Dubois County, and Owensboro have been the nexus of support.
  - Owensboro has been very supportive because of interest in connecting I-165 to the north.
- As the project has progressed- Steve Ferguson (French Lick) has become very enthusiastic
  - This has resulted in an interest in a route to French Lick.
  - This would connect French Lick to Santa Claus (Holiday World)

### **Background on NEPA Process (MG)**

- MG explained the process of identifying preliminary alternatives, screening them, and studying a manageable number in detail.
- I-69 was studied only as an Interstate because the TEA-21 legislation specified the road would be an interstate.
- Absent such support, a NEPA evaluation will need to consider a range of alternatives (not restricted to Interstate highways).

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- He gave the example of a single route considered as both an interstate and a four-lane highway with some at-grade access.
  - These would be evaluated as separate alternatives
- MG cited two key areas which tend to be the focus of litigation.
  - Purpose and need
  - Reasonable range of alternatives
- He mentioned another INDOT Tiered study was overturned in federal court due to issues with the project's Purpose and Need.
- Lochmueller Group understands the interests of the RDA while respecting the requirements of the NEPA process

### **Other Input**

- KM provided background on crashes which led to the construction of J-turns at Dale where US 231 meets I-64.
  - There were numerous fatality accidents in this section of US 231.
  - Hank Menke, Mark Schroeder, and KM went to Indianapolis to promote a by-pass at the I-64/US 231 interchange instead of J-turns
    - J-turns will interfere with the future upgrade of US 231 to an Interstate.
    - J-turns were implemented about three years ago
    - This has reduced the number of fatal accidents.
- Project Riverview.
  - This will be a major facility to produce diesel fuel from coal (gasification process for pressure)
  - Proposed location is along US 231 very near the I-64 interchange.
    - The location currently is accessible only from a county road.
  - These local circulate needs must be taken into account with the Mid-States project.
  - Tom Utter of Lincolnland Development Corporation will have more details about this project.
- MG noted that improvement needs for the section of US 231 between the Natcher Bridge and I-64 will be considered by the Mid-States project.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 13, 2019      **Re:** Economic Development Interviews- OFS Brands

**Location:** 1204 E 6<sup>th</sup> St,  
Huntingburg, IN  
47542      **Issue Date:** July 1, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Hank Menke:  
OFS Brands;  
Michael Grovak:  
Lochmueller  
Group;  
Amy Hackbarth:  
Lochmueller  
Group

## ITEMS DISCUSSED:

Michael Grovak (MG) made introductory remarks. Mr. Menke (HM) has been deeply involved in promoting the Mid-States project for many years. MG's introduction focused on the particulars of the current NEPA study. Introductory remarks shown below are by MG.

### Background – NEPA Studies

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project under the National Environmental Policy Act (NEPA).
- An Environmental Impact Statement (EIS) is the most detailed level of analysis.
  - Regulators and legal sufficiency require that an EIS focus on its assessments of benefits.
  - Benefits are assessed based upon the project's Purpose and Need.
  - The Purpose and Need will include extensive data analysis.

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- These include economic data (Poverty rates, employment, income, migration, etc.).
- These include transportation data (crash analysis, forecasted congestion, accessibility).
- The Purpose and Need also will assess logistical needs and freight bottlenecks.
- Purpose of these interviews – better understand logistical needs and bottlenecks.
- MG mentioned also upcoming public input opportunities (public meetings and Regional Issues Involvement Teams). Mr. Menke already was aware of these meetings.

### **Background – Previous Work by Project Supporters**

HM provided background about his efforts and those of others supporting the Mid-States Corridor Regional Development Authority (RD)>

- HM reiterated his extensive support for this project for years.
  - It is much needed.
  - He has dedicated much of his time to making it a reality.
- Dubois County industry needs access to the north.
  - Needs a way to connect to I-69
  - Concerned about the continued economic development of the region.
  - Infrastructure, good schools, roads and fiber optics all are needed.
- To make this project a reality, the RDA is funding this Tier 1 study.
- HM cited a recent FedEx report.
  - It concluded that Dubois County could be the next “Harrisburg Pennsylvania.
  - He believes it lacks only the north-south connection.
  - Senator Braun could provide this study.
- Whatever route is chosen could significantly benefit the region.
  - French Lick needs a road for further economic development.
  - Dubois County needs access to a larger labor force.
  - MG mentioned that Ed Cole (Dubois Strong) made the same point in an earlier interview.
  - Greater access to Crane would lead to additional millions in investment.

The following sections correspond to portions of the interview agenda. Unless otherwise noted, they represent input from HM.

### **General**

*Describe your business process at a high level.*

- *Where is/are your major production facility/facilities located?*
- *What are your key inputs?*

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- *What are your key finished products?*
- *What are the critical aspects of your business/production process?*
  
- The main production facilities are in Huntingburg, IN and Litchfield NC.
- OFS produces a full line of high-quality furnishings
- It employs 2,000+ employees
- Yearly revenues exceed \$500 million.
- Its major competitors are in Michigan.
- To remain competitive requires being able to efficiently serve markets to the North.
  - There are an estimate quarter million in added shipping costs due to the need to drive south to I-64 to access I-69 for trips north.
  - A previous Cambridge Systematics study found 231 to be a “dangerous road”
  - It is hilly, has many cross roads, and is used by a lot of farm equipment.
- He understands that the project is looking at 4-lane roads.
  - He is hopeful for a road built to Interstate standards.

### **Suppliers**

*Describe your key suppliers of input materials.*

- *Where are they located?*
- *How are your key inputs transported to your location?*
- *How time sensitive are the delivery times for your key inputs?*
- *Please describe key bottlenecks or obstacles to timely delivery of your input materials.*

### **Business Inventory**

- *How much inventory (days/week of use) do you need to keep on hand?*
- *Do undependable delivery times cause you to stockpile large amounts of inventory.*
  
- Access problems already described affect both product shipments and materials delivery.
  - They currently get parts from Grand Rapids, Michigan and Chicago, IL
  - Costs are driven up due to missing logistical connections going south from these two locations
  - Grand Rapids is an important place for component parts, but we also compete with that region with for finished products

### **Transportation, General**

- *What key multi-modal facilities do you use for supplies or deliveries?*
- *Are these multi-modal facilities easy or difficult to use?*

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- *How much do transportation bottlenecks restrict your markets (for either suppliers or customers for your finished products)?*
- *What are chief causes of variability of shipping time for inputs or finished products?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*
  
- A north-south road gives access to Indianapolis and Chicago.
  - This provides for intermodal rail connections.
  - This also provides access to international markets.
- A road could improve better access to intermodal facilities, including air travel in Indianapolis.
- Having access to FedEx center in Indianapolis and not just Louisville gives more options which translate to added competitive advantage.

MG asked about the reach of their supplier markets to the east and west.

- Markets to the east and west are very significant.
- Markets to the north and south are still developing.
- Lack of access makes these markets less competitive at present.
- Believes that Meyer Distributing probably will avoid putting another warehouse in this region due to lack of access. MG: In addition to doing our traffic forecast, we are using very sophisticated economic tools to evaluate the region

MG asked about the importance of both actual travel time, as well as reliability of shipment times.

- These factors are very important to support a diverse economy.
- Dubois County has a variety of large shippers and manufacturers (Jasper Engines, Meyer Distributing, as well as the traditional wood furniture business).
- It is also necessary to consider Crane and its poor access via US 231.
  - Jasper needs an addition area for industrial development.
  - He suggested northeast Dubois County.
- Dubois County affords high living standards in which more people could share.

MG asked what steps should be taken to widen support for the project in the 12-county region.

- Stress the potential to expand workforce opportunities and decrease commute times.
- It provides opportunities for workers for counties with high unemployment.
- Transportation north is a critical need for Spencer County residents and businesses.
- Owensboro understands the need for an interstate connection.
  - MG cited the scope of the project's technical analysis.

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- It will evaluate improved connectivity down to Bowling Green and points further south.
- The first question developers have is what kind of roads are in your region.
- Access to major roads is a large part of location decisions.
- The state of Indiana is going to have a huge cost trying to relieve I-65 congestion.
- We need to think ahead with interstate standard roads and the mass movement of goods.

#### **Concluding Remarks (HM)**

- Indiana has many economic advantages now.
- We need to have good infrastructure to continue to attract jobs and people.
- Believes this is a good time for the progression of this project.
- It has support at the federal level.

#### **Concluding Remarks (MG)**

- This project is not controversial locally.
  - Project team needs to anticipate the possibility of opposition from outside of the project area.
  - The study must be complete and thorough in terms of the costs, benefits, and impacts.
- The study has a two-year schedule to select a route.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 13, 2019      **Re:** Economic Development Interviews- Perry County Port Authority

**Location:** 926 Boundary Way, Tell City IN 47586      **Issue Date:** Revised July 3, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Alvin Evans:  
Perry County Port Authority  
  
Michael Grovak:  
Lochmueller Group  
  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) made introductory remarks about studies conducted to address the requirements of the National Environmental Policy Act (NEPA).

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An Environmental Impact Statement (EIS) is the most detailed level of analysis.
- Particularly large or complex projects sometimes use a tiered EIS. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor.
- Tier 2 studies are more detailed and result in the selection of an exact alignment.
- An EIS at basis is the analysis of the tradeoffs among project benefits, impacts and costs.

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- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.

Following are the agenda points and the related discussion. Unless otherwise noted, comments represent the input of Alvin Evans (AE).

### **General**

*Describe the businesses you serve at a high level.*

- *What are the major businesses for whom logistics and freight shipments are key to their business processes?*
- *In general, what are their key finished products?*

AE provided a timeline for the Perry County Port Authority.

- 1986- Norfolk Southern lines began short line operations at 3 locations
- 1989- Port Authority was established to operate Lincoln City to Cannelton line if it was abandoned.
- 1996- Perry County Port Authority took control of Lincoln City to Cannelton and Spencer County line from mainline to AEP Rockport Generation Station lines.
- Waupaca Foundry made a deal with Port to use the lines
  - Caused an addition of a mile-long rail spur to plant [Waupaca]

Since 1996:

- Inputs from American Colloid as well as pig iron is brought by rail to Waupaca
- 10,000 tons of material are shipped monthly.
- Inputs tend to be heavy materials.
- ORG Chem Group operates a facility at Troy
  - De-icer and antifreeze comes in by truck and rail
- Pig iron received by barge is shipped to Kentucky
  - Natcher bridge/parkway makes that possible

### **Shipping Patterns for Port Authority**

- The Mid-States Corridor will not have a major role in supporting industries served by the Port Authority.
  - It does not serve industries to the north, outside of Perry County and potentially Spencer County.
  - Its shipments are focused to the south, via barge/river traffic.
- It will be advantageous for industries from the north which are shipping South

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- Access to Indianapolis is critical
- Cambridge Systematics did early work which led to improvements of SR 37 south of Bedford, connection of SR 37 from I-64 to SR-64 and I-69.
- That study's primary recommendation was to improve the route from Tell City to Bedford
- This also strengthens ability to ship products to and from Lawrence County.

MG asked whether some route options for the project could increase the Port's freight flows.

- A route to the east of Dubois County (Orange and Lawrence County) would be helpful.
- That would increase accessibility to Orleans, Paoli and points north to Indianapolis.
- A route going west to I-69 would not increase our freight flows.

MG asked about the benefits of improved access to Indianapolis.

- This would benefit both the port and its customers.
- It could increase our freight flows.
- This is the only Ohio River port between Louisville and Mt. Vernon.

MG asked about the relationship between the Perry County Development Commission (PCDC) and the Port Authority.

- AE has been with the Port Authority since the founding in 1990's.
- He was Board Chairman until 2013
- Port Authority is appointed by the County commissioners
- PCDC is a private entity
  - Government officials nominate 6 of 15 Board members.

### **Transportation, General**

- *How important is transportation to future growth and development?*
- *Are there key target market sectors you seek to attract, especially in the logistics sector?*
- *Are key multi-modal facilities easy or difficult for businesses to use?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*
  
- Waupaca provides automotive parts within 100+ mile radius
  - Toyota/Honda/Subaru brake parts all come from Perry County
  - John Deere and Ford are also big customers
  - They incur added costs due to longer travel and unpredictable travel times
- ATTC Manufacturing provides brake components and other automotive parts.

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- Use castings from Waupaca or sister company in Rushville, IN
- It manufactures Toyota and Subaru parts
  - Subaru is located in Lafayette
  - Presently it must use I-65 to serve Subaru.
- These two manufacturers both have large levels of freight shipments.
- Various plants in Kentucky also ship through Perry County to the north.
  - They must go east (to I-65) to get north.
  
- MG described computerized travel models for comparing highway alternatives.
  - The project's model will use the Indiana statewide travel model, along with elements of the Kentucky and Tennessee statewide models.
  - It will extend past Bowling Green to the outskirts of Nashville
- MG also described economic forecasting models which the project will use.
  - The model (TREDIS) has detailed county-level industry information.
  - It will forecast benefits of project alternatives.
  - These forecasts will address indicators such as changes in employment, sales, take home pay
  - In this context, he described how Alternative 1 (US 41 – I-70) in the I-69 study performed quite poorly compared to many other alternatives.
    - He cited this as an example of how costs and benefits are compared.

MG asked about the development and business outlook in Perry County. What is the potential for future development?

- Workforce shortages are a key constraint to further development and investment.
- Industries continue to make capital investments.
  - This investment is not leading to added employment.
  - This investment emphasizes automation and robots.
- The focus is on increasing population and thereby increasing the workforce. the population

MG asked if better access would increase the potential labor force, and/or encourage people to remain within the region.

- Direct access to Indianapolis and Bloomington would be a definite plus.
- Having high-level highway access to other parts of the State is an attractive feature
- Better access to entertainment and "city life" would make the region a more attractive place to live.
- Economic growth is more of a population/workforce issue, rather than an industry issue

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 25, 2019      **Re:** Economic Development Interviews: Radius

**Location:** 1504 I St, Bedford IN 47421      **Issue Date:** July 12, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Jeff Quyle (JQ):  
Radius;  
Matt Craig (MC):  
Radius;  
Michael Grovak (MG):  
Lochmueller Group;  
Amy Hackbarth:  
Lochmueller Group

## ITEMS DISCUSSED:

Michael Grovak (MG) gave an introduction on NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An EIS is the most detailed level of analysis.
- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
  - Brief description of the development of a project specific model that uses data from IN, KY, and TN statewide travel models.



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- These interviews will gather information on business and logistic flows needs and gaps. They will be used to support the Project's Purpose and Need.

The following points correspond to the interview agenda. Unless otherwise indicated, they document input by Jeff Quyle (JQ) and Matt Craig (MC).

### **General**

*Describe the businesses you serve at a high level.*

- *What are the major businesses for whom logistics and freight shipments are key to their business processes?*
- *In general, what are their key finished products?*

Jeff Quyle (JQ) briefly described the history of Radius and its primary functions

- Radius was established by the Indiana legislature to address region's historic economic disadvantage.
- When the French Lick Casino was developed, some of its profits were required to be used for economic development. This led to the formation of Radius.
- Radius serves 8 counties (Crawford, Washington, Orange, Lawrence, Martin, Greene, Dubois, and Daviess)
  - MG notes that Washington is the only county not in the 12-county Mid-States study area
- Its focus is on business attraction and current business support, tourism development (tourism is the 7<sup>th</sup> largest industry in the region), small business support, local leadership development and education, and work force attraction (working with Conexus, Crane, and community)
- It has a high focus on Crane (largest employer in region with ~6,000 employees) and its affiliated contractors.

Matt Craig (MC) describes Radius' role at Crane in more detail

- 2 major roles
  - 1) Connecting the communities and 5 counties that surround the Crane base with industry and regional groups.
    - Intent is to sustain and promote growth of the military base from a community perspective.
    - It pursues business retention related to the military base
    - Part of that role is fostering communications, preventing unwanted development, and promoting wanted development.

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- An example of unwanted development from Crane's perspective is wind energy farms
- These can be dangerous to air operations or residential development near Crane testing sites.
- 2) Helping in mission growth and the logistics of mission growth for Crane.
  - Helping Crane find the resources and outside contractors they need.

MG asks them to describe the business Radius serves or potential businesses it tries to attract.

(MC):

- Crane Army Depot: large industrial entity (800 employees)
  - Manufacturer/Storage/Distribution hub for 25% of DOD conventional ordinance (ordinance referring to small arms ammunition, large gun ammunition, and potentially some rockets and missiles)
  - An Estimated 40,000 tons of ordinance that comes annual inbound and 30,000 tons outbound - an estimated 20-30 trucks a day.
  - A new highway is another transportation dimension that adds to 'base resiliency.' Protection of single point failure. Makes role of base more secure.
- Potential new business: global microelectronics manufacture (top 10 globally recognized) is looking at the region.
  - Part of its interest in coming here is sharing knowledge with Crane
  - Its final product would be shipped all over the world
  - Transportation options are very important to appeal of the region.
- Another potential new business: Small manufacturing facility that would manufacture rocket motors and distribute them nationally.
  - Access to reliable transportation and intermodal facilities are be necessary.

#### **Transportation, General**

- *How important is transportation to future growth and development?*
- *Are there key target market sectors you seek to attract, especially in the logistics sector?*
- *Are key multi-modal facilities easy or difficult for businesses to use?*
- *Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access?*

MG asked about important logistical connections, or some that need improvement

(JQ):

- The community of Orleans, Indiana is on HWY-37 (2-lane) and has large manufacturing facilities that have been vacant for years due to the lack of fast and reliable roads.

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- Increased logistical reliability could lead to use of these facilities, and more jobs.
- The tourism industry is a large industry in this region (Orange, Martin County) due to their low population and outdoor recreational opportunities.
- It is currently difficult to travel to these locations from Nashville, Louisville, etc.
  - Access to the French Lick Casino is via 2-lane highways at least 30 miles in any direction.
- Other prominent industries in Dubois County (Food processing such as Farbest Foods and the traditional wood manufacturers) need better transportation to move their products to market
  - MG asked for insights into the reliability of 231 from Crane to Dubois County
  - JQ commented that the stoplights in Jasper raise fuel costs.
  - US 231 is not reliable (no shoulders, windy, topography, etc.)

MG asked how much of a factor transportation is relative to other things

JQ replied:

- The single most important factor is workforce availability for business,
  - Transportation indirectly is a part of work force availability.
  - Better transportation increases the size of the labor force with access to the area.
- Transportation and ease of transport itself is the second largest aspect
  - Ease, affordability, and reliability
- Utilities and taxes are also important in business attraction
  - Electricity has risen in Indiana over the past 10 years due to the shift from low cost coal to generate electricity.
    - Historically Indiana had some of the lowest electrical rates, but it now has average electrical costs.
  - Tax rates in Indiana are still considered low for the US.
  - Regulatory approvals are speedy and flexible in comparison with other states.

MG asked about what kind of businesses they desire to attract

JQ:

- There is a focus on advanced manufacturing, which includes the defense sector, automotive companies, and foreign direct investment
  - Currently the Radius region has the lowest amount of foreign direct investment in the state
    - This could partially be attributed to lack of major highways/interstates.

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MG asked whether multimodal facilities are an issue?

(JQ):

- There is gypsum production in Martin County and limestone production in the region which is commodity-type product that traditionally would use rail
  - He is unsure of the specifics of their rail shipments, but predicts that an interstate connection to rail would be of benefit
- He knows that Grain Processing Corporation (Daviness County) uses rail

MG concluded the meeting and gave a brief timeline and explanation of the tiered process

JQ gave concluding remarks and mentioned the regional issues involvement teams, acknowledging that Radius has received an invitation to participate. Radius serves 7 out of 12 Study Area counties. It is interested and engaged in looking at all the alternatives and their potential benefits.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 12, 2019  
**Re:** Economic Development Interviews: Southern Indiana Economic Development Corporation

**Location:** 405 JFK Avenue, Suite A, Loogootee, IN 47553  
**Issue Date:** July 1, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Greg Jones (GJ): Southern Indiana Development Corporation;  
Rhonda Rumble (RR): Southern Indiana Development Corporation;  
Michael Grovak (MG): Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

## ITEMS DISCUSSED:

### Introduction

MG provided an overview of environmental studies under the National Environmental Policy Act (NEPA).

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- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An Environmental Impact Statement (EIS) is the most detailed level of analysis.
  - Particularly large and complex projects may use a “tiered” approach. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are more detailed and result in the selection of an exact alignment. And EIS at its core evaluates project benefits, impacts and costs.
  - Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
  - For this project, freight flows, logistical needs and intermodal connections also are important.
  - The process of specifying preliminary alternatives and then screening to a smaller number of detailed alternatives was described.
- The 12-county study region is described.
  - The beginning terminus is US 231 beginning on the Indiana side of the Natcher Bridge in Rockport.
  - After following US 231 to Dubois County, alternative routes will go east, west, or north to connect with I-69 or SR 37.
  - GJ asked if the project will be built on existing facilities (current roads) or new facilities/terrain.
  - MG stated that alternatives will consider both new facilities and upgrades of existing facilities.
- MG mentioned:
  - Kickoff public meetings will be held during the week of August 5<sup>th</sup>, 2019
  - A draft Purpose and Need Statement will be presented for input.
  - Public input will be sought on preliminary alternatives.
  - In later 2019/early 2020, these preliminary alternatives will be screened to no more than six alternatives to be studied in detail.

#### **Follow Up to Introduction**

- GJ requested information about the origins of the project and the regional needs which it is to address.
- MG explained that Governor Pence’s Blue-Ribbon Panel Report identified the Midstates Corridor as a statewide level 2 priority and a top priority for the Southwest region and the state.

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- GJ asked whether Dubois County business interests support the project to expedite north-south freight shipments. MG agreed that many businesses support it for that reason.
  - These interests supported the establishment of the Mid-States Corridor Regional Development Authority (RDA).
  - The RDA was established by Dubois and Spencer counties.
  - The RDA was established to allow additional jurisdictions to participate.
- GJ emphasized the importance of demonstrating benefits throughout the region. There are larger issues than the Midstate's corridor, the farther you get away from the Dubois region the less benefits
- GJ also asked about whether the RDA would have a wider focus than the Mid-States Corridor project.
  - The RDA can serve multiple purposes in the region.
  - Focusing on other needs will expand the RDA's ability to serve the broader region.
- MG described the RDA's role in funding the Tier 1 Study.

#### **Further Introduction to Interview Questions**

- MG described the relationship between the cost, benefits, and impacts of this project.
- MG mentioned the importance of public involvement to gather input such as we are receiving in this meeting.
- GJ asked if the counties represented by the Southern Indiana Development Corporation (SIDC) have had discussions with the RDA
  - GJ stated he was unsure if such discussions are occurring.
  - GJ restated he wants to us to be aware of potential pitfalls.
  - Dialogues need to occur among all counties in the project area.

After these introductions, the discussions focused on specific agenda points. Unless otherwise noted, all statements are attributable to GJ.

#### **General**

*Describe the businesses you serve at a high level.*

*What are the major businesses for whom logistics and freight shipments are key to their business processes?*

*In general, what are their key finished products?*

- SIDC is a quasi-governmental organization.
  - It receives no direct government funding.

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- It has a 36-member board.
  - Seven members are appointed by each of five counties. (Daviness, Green, Lawrence, Martin and Knox).
  - One is appointed by the Governor.
- Its three main priorities are regional quality of life, building regional collaboration, building regional assets
- It assists local governments with project implementation (housing, roads, etc.)
  - SIDC works on funding for such projects.
  - It works similarly to the Indiana 15 Regional Planning Commission.
- It also provides minor transportation planning assistance.
  - It has some traffic count data which are available for our use.
- The organization has existed for 44 years.
- It is one of the most trusted organizations for this region.
- MG described information we hope to obtain from these interviews.
- These include economic trends, congestion, logistics/logistical connections for business related needs, key industries, bottlenecks, etc.
- These will support the project purpose and need.

#### *Recent demographic/industrial trends*

- Generally, Daviess County is the only SIDC county that is growing in population.
- This is due to immigration.
- Major industries include:
  - Advanced agriculture (Turkey production).
  - The Crane naval base is the foundation of the region's economy.
    - It has about 5,500 employees.
    - Its median wage is \$68,000/year.
  - Limestone, gypsum, coal mines, rock stone
    - Coal is mined in Daviess and Greene counties
    - Limestone is extracted in Lawrence County.
- While I-69 provided jobs, it also exported jobs to Bloomington.
- Crane and its associated contractors actively recruit Bloomington residents.
- Two current efforts seek to bring economic development to the region.
  - Purdue at WestGate – teaching entrepreneurs how to start new businesses and commercialize ideas.
  - Partnership with a European company and Crane for a master's in engineering program
- Regional leaders-

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- There is an 8-county study analyzing a southwest Indiana technology collaboration hub
  - Determining available entrepreneurship resources
  - Also looking at physical capabilities and needed support services.
- We want to avoid having many regional communities competing for the same initiatives.
  - How can we build on regional strengths through collaboration?
  - The issue is not office space, but resources and services to support entrepreneurs
  - Creating these linkages is challenging.
  - The region is competing with Bloomington, Terre Haute, and Columbus.

#### *Needed/Missing Linkages*

MG began by asking how the route chosen for Mid-States could provide linkages to support regional development.

- Connections are poor from Jasper to Loogootee, Dubois County to Washington, and Lawrence County to many locations.
- Potential routes all will have their strong points.
  - There are potential benefits to both manufacturing and tourism.
  - SIDC's primary focus is not on new manufacturing,
  - Its emphasis is retaining existing businesses.

#### *Economic Development*

- MG explained the forecasting tools that will be used to evaluate the potential benefit of project alternatives.
  - The project travel forecasting model will extend to mid-Kentucky and northern Tennessee
  - It will use TREDIS determine how business profitability is affected by transportation and logistical improvements.
  - It will assess both benefits to existing businesses as well as the ability to attract new businesses.
  - It will forecast benefits such as increases in jobs, personal income, and business income.
- GJ asked whether the selected I-69 alternative performed well on economic development.
  - MG stated that the chosen route performed the second highest in economic development.

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- The alternative which performed the best had to be discarded because of impacts to sensitive Indiana bat habitat.
- He also mentioned that another tool was used for I-69 because TREDIS did not exist 17 years ago.
- GJ stated that much support for the project has been “self-serving.”
- It is important to use objective forecasting tools.

*Closing Discussion*

- GJ asked whether SIDC could provide detailed resource information.
  - MG stated that in this tiered study, we are using published information which is consistent across the 12-county region.
  - Such detailed information would be more helpful in following Tier 2 studies.
- MG mentioned that kickoff public meetings will be announced soon.
- We hope to have a project website available around July 1<sup>st</sup>. It will contain:
  - FAQs about the project
  - Other project information
  - Portal for submitting comments.
- MG also described the Regional Issues Involvement Teams
  - About one-quarter of the budgeted project effort is for public involvement.
- GJ stated he was somewhat assured that the same staff who worked on I-69 are leading the Mid-States analysis.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# MEETING SUMMARY

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**Date of Meeting:** June 18, 2019      **Re:** Economic Development Interviews: WestGate Technology Park

**Location:** 13598 E. WestGate Dr. Odon, IN 47562      **Issue Date:** July 10, 2019

**Submitted By:** Amy Hackbarth

**In Attendance:** Jason Salstrom (JS): Purdue Foundry @ WestGate;  
Michael Grovak (MG): Lochmueller Group;  
Amy Hackbarth: Lochmueller Group

## ITEMS DISCUSSED:

MG: Introduction on NEPA Environmental Impact Statement (EIS) process:

- Any federally funded project requires studies of the benefits, impacts and costs of a proposed project. An Environmental Impact Statement (EIS) is the most detailed level of analysis.
  - Particularly large projects sometimes use a tiered study because you are dealing with a very large geographic area. Tier 1 considers “big picture” planning issues such as “build” vs. “no-build”; facility type; preferred corridor; and logical termini for “projects of independent utility” within the preferred corridor. Tier 2 studies are more detailed and result in the section of an exact alignment. An EIS at its core evaluates project benefits, impacts and costs.



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- Purpose and Need identifies needs in the project area which could be addressed by a transportation project. This process involves technical work measuring indicators such as accessibility, congestion, economic trends, and logistical connections.
- The region of the Mid-States corridor was described, including the starting point (US 231 in Rockport), continuing on US 231 to Jasper/Dubois Co., and then either continuing north/west to I-69, or east to SR 37 (and from there to I-69).
  - The analysis of proposed routes will be based upon the three criteria mentioned above (cost, impact, benefits)
  - Logistics and freight movement are a large part of this evaluation which leads to the reason and context of this interview.
  - Lochmueller is identifying key needs by speaking with businesses and those dealing with economic development in this region.

The following points correspond to the interview agenda. Unless otherwise indicated, they represent input from Jason Salstrom (JS).

### **General**

*Describe the businesses you serve at a high level.*

- *What are the major businesses for whom logistics and freight shipments are key to their business processes?*
- *In general, what are their key finished products?*

Provided a brief history of the Academy and its current operations:

- The academy was established in 2012; originally envisioned to be a technology incubator
- Has since been branded as a training and conference center as well as a business incubator and event facility.
- In 2017 Purdue University established a program for technical activity, which they hoped would spark more collaboration and give a “community” to the Tech Park.
  - Establishment of the Purdue Foundry – Mitch Daniels hoped to mimic the entrepreneurial ecosystem at West Lafayette’s Purdue Foundry.
  - Foundry programming at WestGate includes catalyzing and supporting entrepreneurial activity
    - Facilitate University training here for the public
    - Host venue for Crane (hosts 1,000+ Crane employees for training and conferences)
    - Also serves as a social and professional community for the tech park

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MG asked what sort of businesses have been attracted to the tech park? What businesses would you hope to attract to the park in the future?

JS replied

- Most of the current businesses have been lower skilled technology support
  - Focus on the rehabilitation of equipment for Naval fleet vessels at Crane
    - Rehabilitant equipment for crane and naval fleet vessels
    - Includes part fabrication
- In the future there is the hope of attracting more of a permanent presence of companies (Specifically- defense contractors)
  - Foundry is identifying businesses that can work here in Indiana, instead of operating remotely and having permanent establishments on the Coast.
    - Examples listed were AECOM and ManTech.
- Other future goals include growing presence and diversifying clients beyond Crane support.
  - The diversification of industry allows for less of a reliance on economic and leadership flow at Crane.
  - Leadership at Crane can greatly inhibit/ or help the Park depending on the priorities of the leadership.

### **Transportation, General**

- *How important is transportation to future growth and development?*
- *Are there key target market sectors you seek to attract, especially in the logistics sector?*
- *Are key multi-modal facilities easy or difficult for businesses to use?*

*Are there specific geographic orientations (directions) which have inadequate transportation facilities or multi-modal access*

MG also asked what sort of affect has the recent completion of I-69 to Bloomington had on Westgate operations?

- The access to Bloomington has an effect, but the magnitude is still to be determined.
- These effects have been both positive and negative
  - Negative: The technology park has lost some permanent presence of companies (i.e. they are in Bloomington and travel to this area for business).
  - Positive: The closeness of Bloomington can be used as a recruitment tool- it is an attractive nearby location- especially for younger employees.

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- However, ultimately it would be preferable to have an improved quality of life (work and play) here, instead of just the job, and then “play” in Bloomington.

MG noted that one of the alternative routes has the potential to connect Crane directly to the South of the State and Kentucky.

- Of the clients we support (start-up companies): 1/3 come from the Bloomington region, 1/3 come from the Evansville region, and 1/3 come from the region surrounding Crane.
- Purdue at WestGate would be able to serve Jasper/Dubois County area better if transportation was easier/more efficient.
- Jasper clients are not inclined to come to WestGate because it is not a convenient or easy drive.

MG commented on the seeming disconnect between the scale and diversity of industry in Dubois county and the lack of North/South logistical connection.

- I think there would be impact on our relationship (business) to Jasper/Dubois if there was a connection.
  - Cultivation of entrepreneurs from Jasper.
- There appears to be untapped potential activity from the Dubois County population/companies.
- He currently finds it difficult to engage with that area, and suspects it may have to do with access
- A logistical connection between the two regions could potentially attract workforce for both areas.

MG commented that common theme from these interviews is lack of workforce availability.

- Workforce attraction is WestGate’s biggest problem
  - Indiana is ranked as one of the lowest (bottom 20%) in the country based on Chamber of Commerce reports for having an educated workforce.
  - This translates to a massive problem for attracting technology/STEM companies.

MG asked whether there any significant logistical issues or barriers that you are aware of for the entirety of the Crane area?

- Not that he can speak to, that specific knowledge is outside of his area of focus.
- Tri-State Transportation (one of the largest operators) or Metal Technologies (move engines to/from Germany; trucks to rails) might be someone worth speaking to on specific logistical issues.

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**Concluding remarks**

- A selling point of this area (recruitment) is that it is ~8 hours from 2/3 of the United States population
  - Selling to companies based on the fact that they are closer to population
- As the concept of regional economies becomes more dominant, there becomes a need for more regional connectivity.

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The above constitutes our understanding of the meeting. If you believe there are omissions, additions, or corrections, please send your written comments within seven working days to Lochmueller Group.

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# French Lick Resort 2019

## Chamber Update



**FRENCH LICK RESORT®**

FRENCH LICK & WEST BADEN · INDIANA

# Where we started.



**\$533 million** direct investment to resort property



**2007 Revenue**

**65%** Casino Revenue

**35%** Hospitality Revenue

**2018 Revenue**

**52%** Casino Revenue

**48%** Hospitality Revenue

**70%** of the workforce lives in Orange County

**1,100** full time and **1,700** total jobs



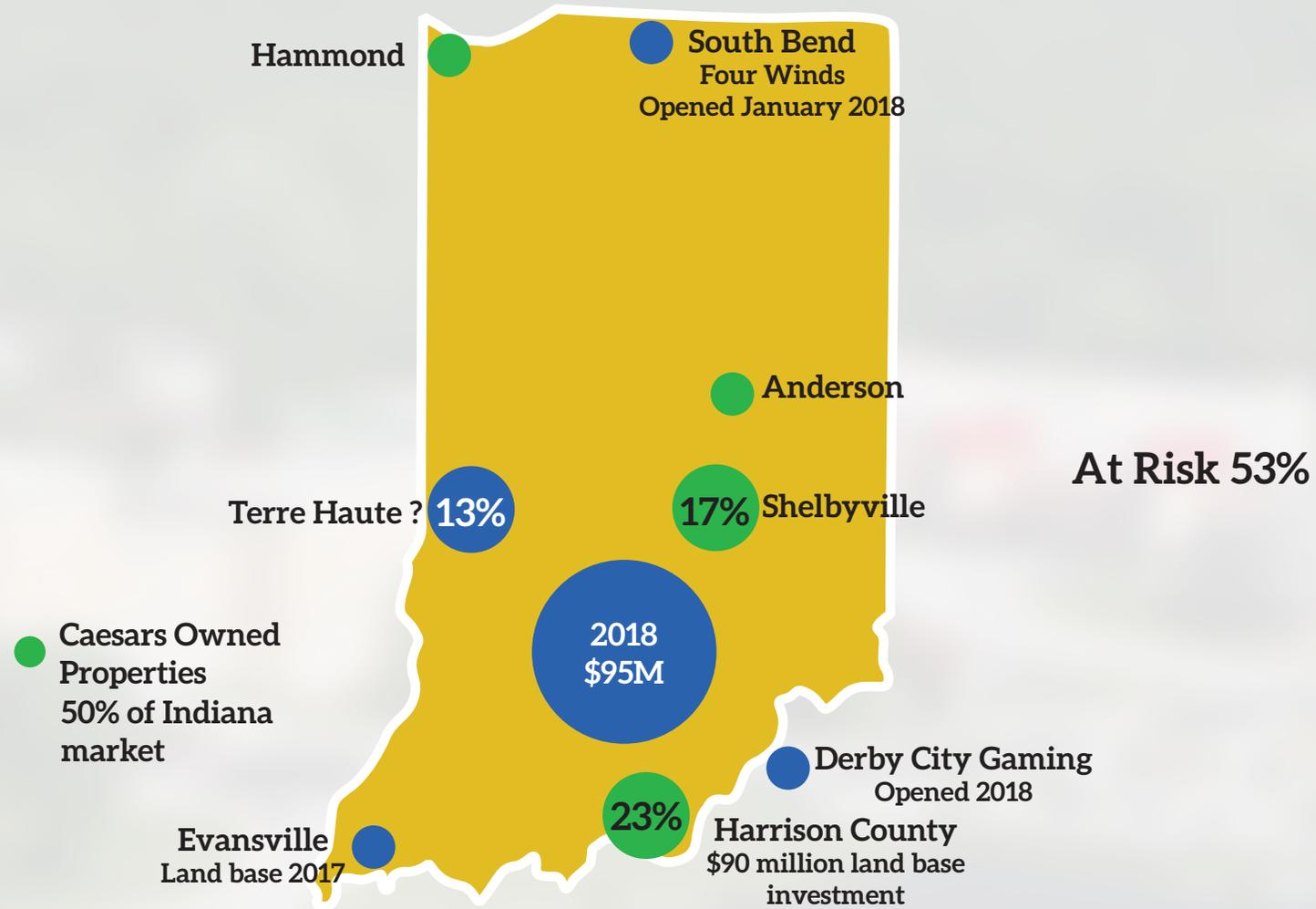
**\$672 million** French Lick Resort Employee Payroll,  
Taxes and Benefits

# 2019 Gaming Legislation

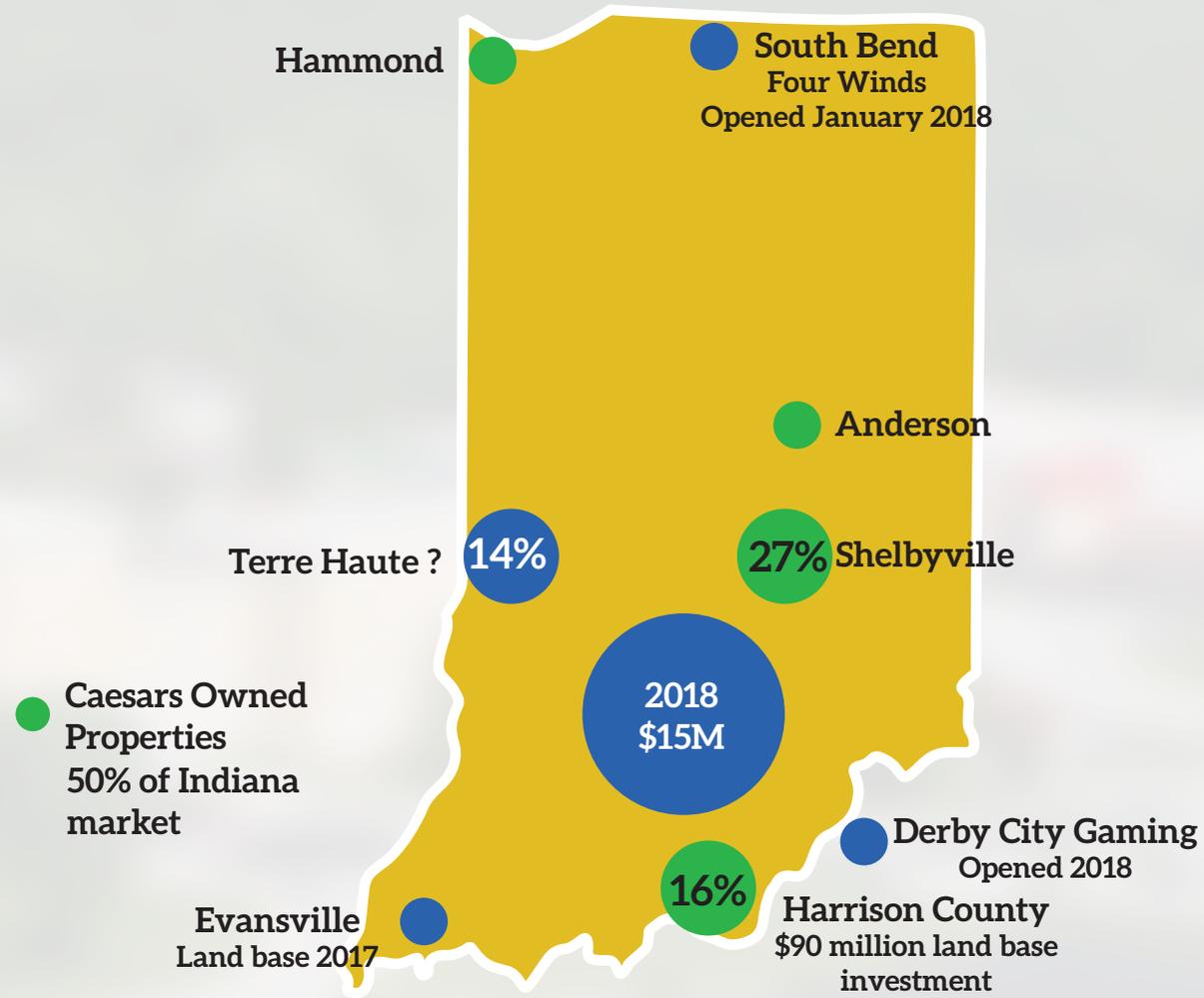
## Casino Provisions

1. The bill allows one of two Gary riverboats to move anywhere inland within the City of Gary.
2. The bill provides that Gary riverboats licensee may apply to the Indiana Gaming Commission to relocate to operate a casino at a location in **Vigo County**
3. The bill increases Free Play/Promotional Credit from \$7.0M to \$9.0M
4. Establishes a statutory framework to permit **sports wagering** September 1, 2019 including mobile.
5. Permits Racinos to offer **live table games** at their two facilities beginning January 1, 2020
6. 5% wagering tax reduction for all Casino's on first \$25M July 1, 2021
7. The bill increases Free Play/Promotional Credit from \$7.0M to \$9.0M
8. Multiple wagering tax reductions with Adjusted Gaming Revenue below \$75M
9. The bill redirects a portion of FLR Casino 's AGR to the West Baden Historic Preservation Fund.

# Indiana Gaming



# Table Games at Shelbyville



# Other Market Disruption

- 3 of Caesars properties directly compete with 30% of the French Lick market
  - Billion dollar organization
  - Substantial marketing and promotion budgets
  - National reward program
  - 60 plus locations
  - Harrison County landbase operations November 2019
- Derby City Louisville Slot Parlor plans hotel expansion at Churchill Downs

# Gaming Effect on Orange and surrounding Counties

(effective July 1, 2021)

- Wagering tax will be reduced
- AGR (Adjusted Gaming Revenue)
- Fiscal 2018 = \$87,000,000 AGR
- Fiscal 2019 = \$85,000,000 AGR
- Promotional Allowance increased \$7M - \$9M
  - \$85,000,000 and above = less 5%
  - \$75,000,000 and above = less 21%
  - Below \$74,999,900 = less 47%
  - Below \$70,000,000 = less 59%
  - Below \$65,000,000 = less 69%
  - \$60,000,000 and below = less 78%

# Gaming Effect on Orange and surrounding Counties

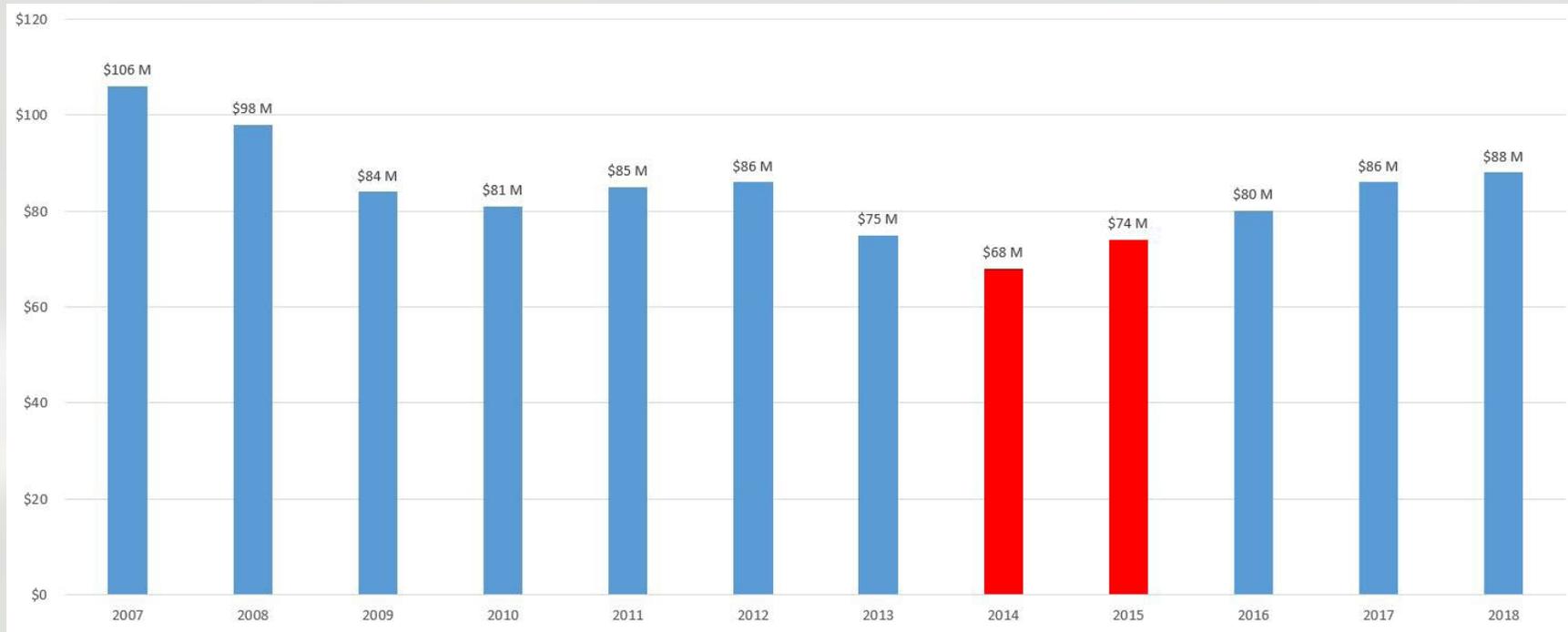
- Wagering tax will be reduced

**“We need to stay vigilant now and in the future.” - Steve Ferguson**

**“The \$2.5M Community Support Fee is critical to the Region”**

- Promotional Allowance increased \$7M - \$9M
  - \$85,000,000 and above = less 5%
  - \$75,000,000 and above = less 21%
  - Below \$74,999,900 = less 47%
  - Below \$70,000,000 = less 59%
  - Below \$65,000,000 = less 69%
  - \$60,000,000 and below = less 78%

# Adjusted Gaming Revenue

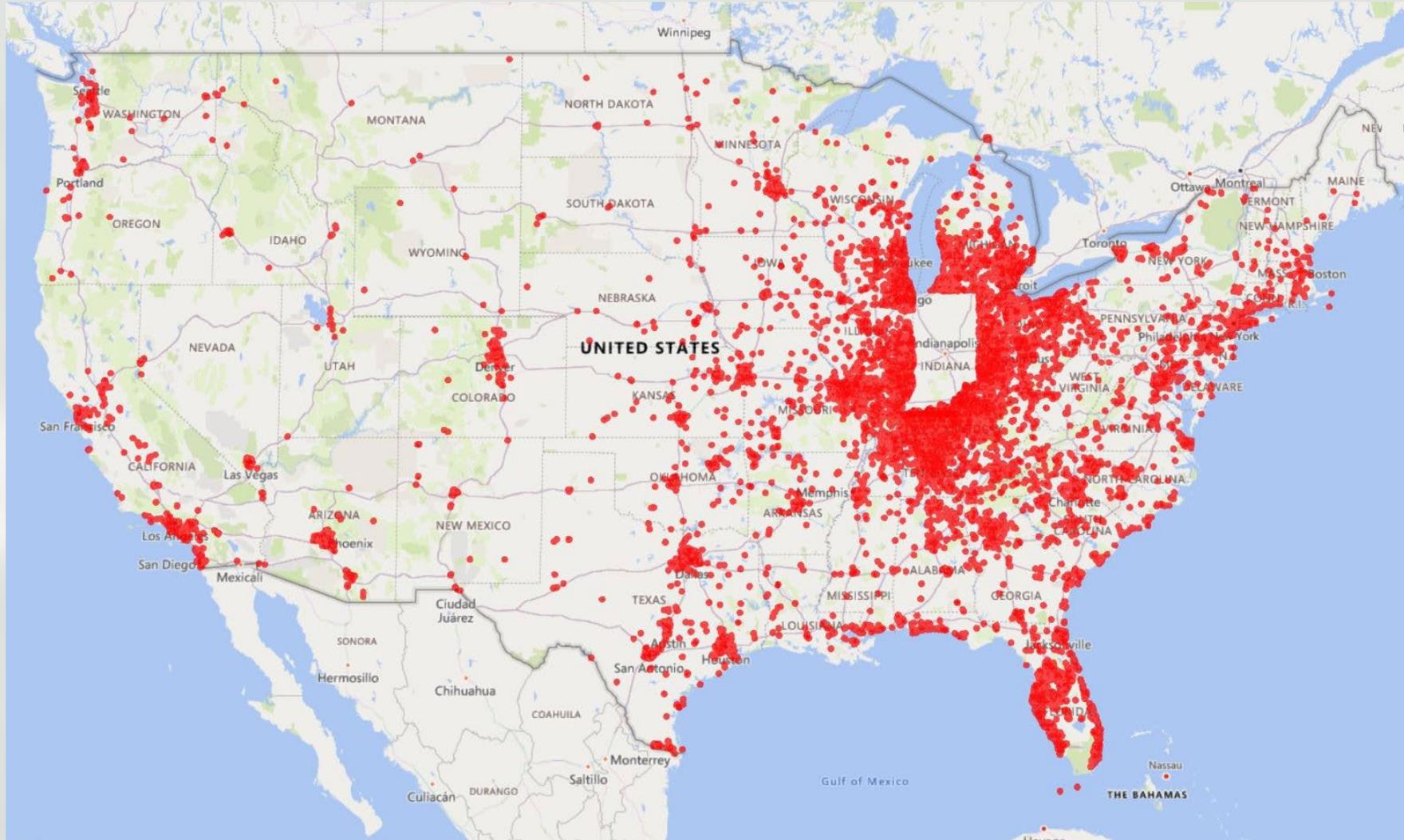


# What makes the French Lick Resort different?

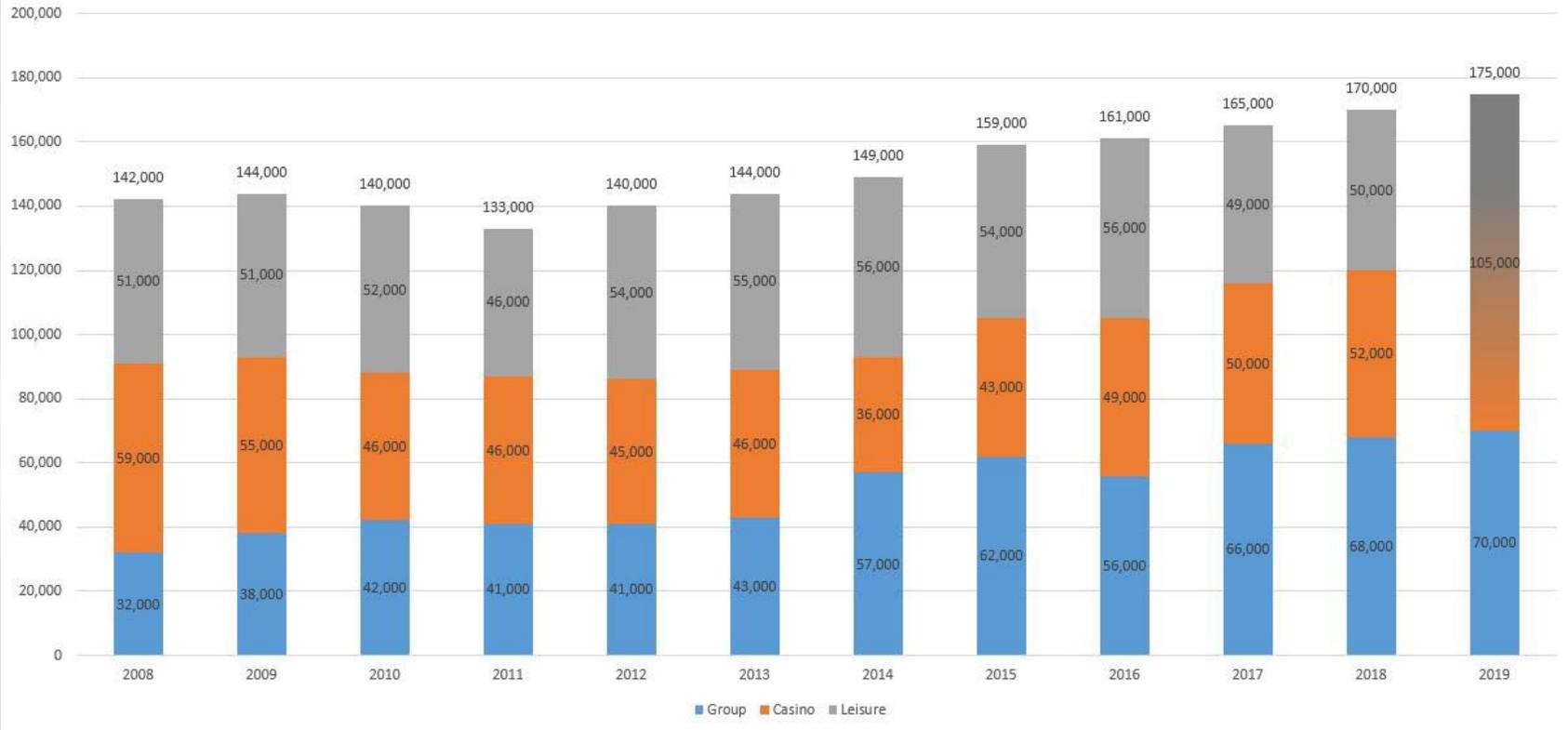
- French Lick Resort does not own the gaming license.
- Regional Impact Project
- Hospitality
- Group Business/Meeting & Events
- Reinvestment
- **1,100,000+** visitors a year to Southern Indiana Region



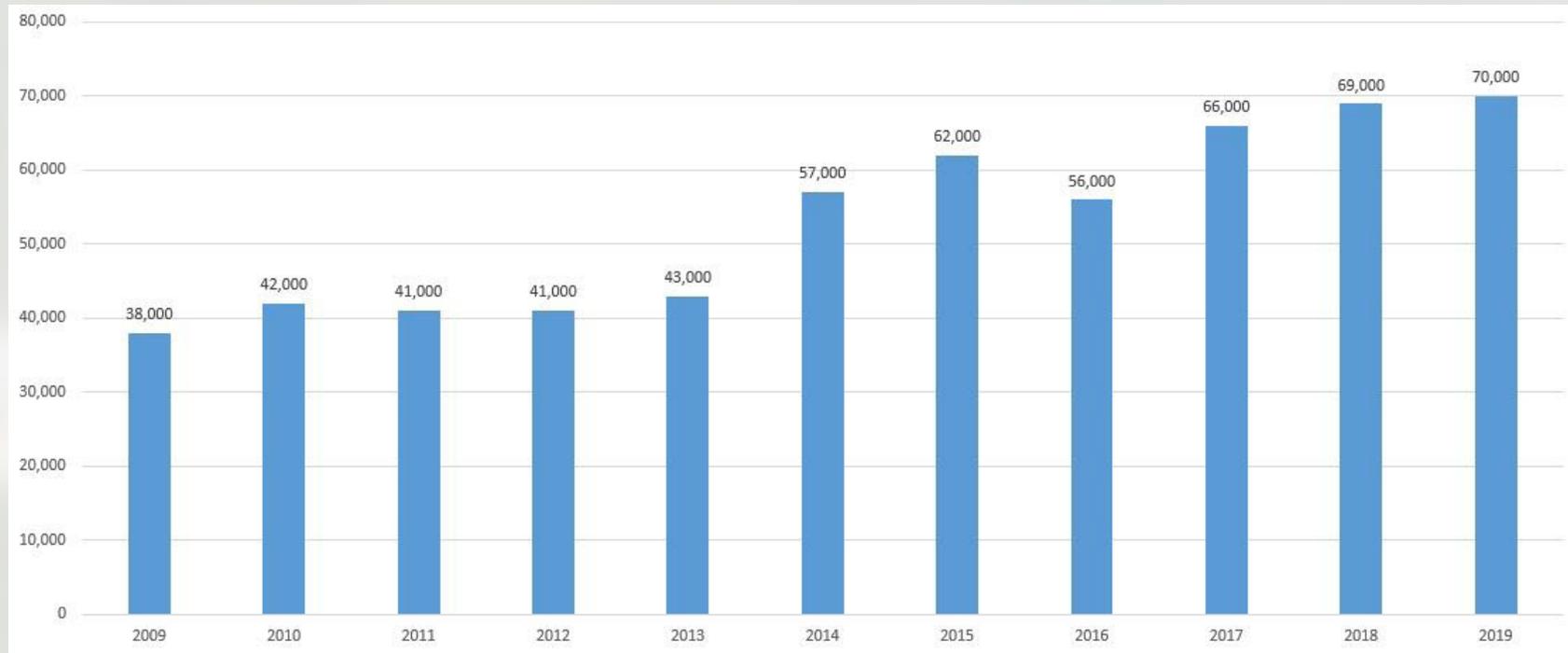
Over 1,100,000+ visitors per year



# Total Room Nights



# Group Rooms



# Meeting and Events

## Event Center Expansion



Completed 2015

## Exhibition Hall



Completed 2018

# Reinvestment

**The Pete Dye Course**



Completed 2009

**Levi Project**



Completed 2017

**Wells & Andrews Rooms**



Completed 2018

**West Baden Bridge**



Completed 2018

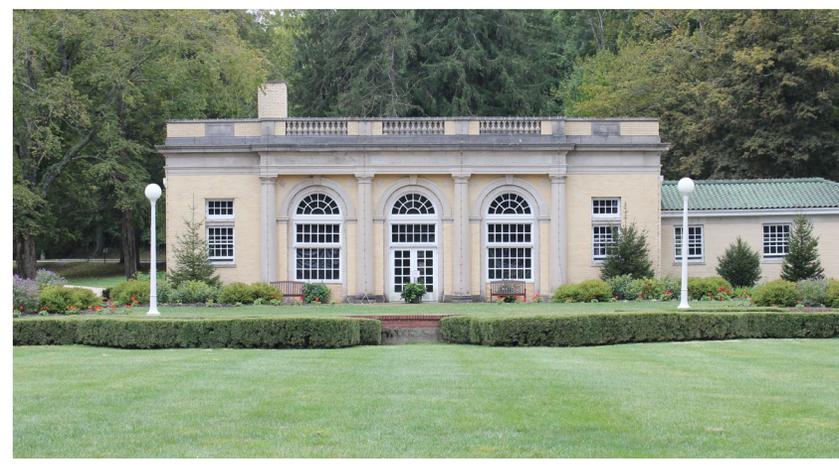
# Future

## Valley Wing and Sports Bar Expansion



Completion 2019

## Bowling Pavillion



Completion 2020

# How are we doing?

- +5% in 2019
- 2018 Friday Night Occupancy = 90%
- 2018 Saturday Night Occupancy = 96%
- Restaurants
- Shopping
- Safe, Clean, and Friendly

# Local Development

- Visit French Lick West Baden
- CVS
- McDonalds
- O'Reilly
- Springs Valley Bank
- Big Red Liquors
- Town Green
- Denny's
- Ohana
- Legends
- Homestead Apartments and Shops
- West Baden Town Hall
- Dollar General
- Family Dollar
- Subway
- Best Western
- Comfort Suites
- Big Splash
- Shotz
- Indoor Karting
- Wilstem
- French Lick Scenic Railway
- French Lick West Baden Museum
- Escape! French Lick



# Radius Funded Projects

Organization Requestion	Project Name	County	Investment Request	RIF Approved Grant	RIF Approved Loan	Total RIF Approved Funding
Valor Defense Solutions	VADS Systems & Compenants	Daviess	\$300,000		\$300,000	
City of Huntingburg	4th street Heritage Trail-Lighting/Safety Enhancements	Dubois	\$300,000	\$200,000		
Crawford County Redvelopment Commission	Project Bubble	Crawford	\$268,350	\$150,000		
Mid-States Corridor Regional Development Authority	Tier I EIS Study	Dubois	\$600,000	\$150,000		
Paoli Schools Agi-Science Department	Paoli School Farm to Table Program	Orange	\$30,000	\$15,000		
Jasper Seating Company, Inc.	Jasper Group Orleans Expansion	Orange	\$100,000	\$100,000		
Integrity Defense Services	Integrity Defense	Greene	\$200,000	\$50,000		
Battery Innovation Center	BrightVolt	Greene	\$500,000	\$500,000		
Farbest Foods	Huntingburg Plant Modernization	Dubois	\$150,000	\$150,000		
City of Bedford	Stone Gate Arts and Education Center - Limestone Façade	Lawrence	\$266,400	\$150,000		
Stimulus Engineering	Energy4	Martin	\$150,000		\$150,000	
Orange County Cooperative Development Corporation	10th Year Debting Reduction/Restructuring	Orange	\$100,000	\$50,000		
City of Linton	ProMark Building Solutions	Greene	\$68,022	\$75,000		
Crane Hotel Properties	Sleep Inn and Mainstay Hotel	Greene	\$200,000		\$200,000	
Orange County Community Foundation	Textbooks 2017/2018	Orange	\$190,000	\$135,900		
Orange County Economic Development Partnership	Orleans Façade Project	Orange	\$175,000	\$175,000		
Orange County Community Foundation	Textbooks 2016/2017	Orange	\$189,638	\$189,638		
Daviess County Economic Development Foundation	M&C Tech	Daviess	\$175,000	\$175,000		
AHF Industries dba Pluto Corporation	Warehouse/Manufacturing Plant Acquistion	Greene	\$500,000	\$100,000		
Jasper Group	Supervisory Leadership	Dubois	\$20,000	\$5,000		
Board of Aviation Commissioners	Salem Airport	Washington	\$150,000	\$150,000		
KCARC	Commercialization of Nouvex	Martin	\$108,500		\$50,000	
Alliance Barrier	Alliance Barrier Films Phase II	Daviess	\$475,000		\$400,000	
Battery Innovation Center	EDA Receivables	Greene	\$298,833		\$298,833	
Lawrence County Economic Growth Council	C & M Conveyor	Lawrence	\$25,000	\$25,000		
Lawrence County Economic Growth Council	PRD	Lawrence	\$25,000	\$25,000		
Battery Innovation Center	GAP Funding	Greene	\$144,000	\$144,000		
MacAllister	Expansion	Daviess	\$75,000	\$25,000		
<b>TOTALS</b>			<b>\$5,783,743</b>	<b>\$2,739,538</b>	<b>\$1,398,833</b>	<b>\$4,138,371</b>

# Community Involvement

## Education

- \$5,200 each year for full time associates - 182 associates participating
- Readable English in Springs Valley Schools

## Infrastructure

- Airport Road
- Mid-State Corridor
- CSX railway New Albany to Bedford
- Apartments - selling lot to developer for 60 to 80 units
- Single Family Homes - guaranteed 3 homes to be built in French Lick
- Looking to 12-15 new homes on Klondike Hill

## Healthcare

- 1,100 full time associates - need walk in clinic
- Over 1,100,000+ visitors a year - Ambulance service is critical

# Summer Events

## Concerts

**The Kentucky Headhunters**  
Friday, July 5

**Gary Allan**  
Saturday, August 17

**Martina McBride**  
Saturday, July 20

**America**  
Saturday, September 21

## Summer Holidays

**Memorial Day Weekend**  
Friday, May 24 - Monday, May 27

**Fourth of July Week**  
Thursday, July 4 – Saturday, July 6

**Father's Day Cookout**  
Saturday, June 15

**Labor Day Weekend**  
Friday, August 30 – Sunday, September 1

## Golf Tournaments

**The Donald Ross Classic**  
Tuesday, July 9 - Saturday, 13, 2019

**Senior LPGA Championship**  
Thursday, October 10 - Wednesday, October 16

# Thank you. Questions?



**FRENCH LICK RESORT®**  
FRENCH LICK & WEST BADEN · INDIANA

## SUMMARY INFORMATION ON FARBEST

January 2019

The Farbest companies are made up of three separate corporations with identical ownership. The operations of these three corporations are summarized below.

### Farbest Foods, Inc.

Farbest Foods, Inc. operates two turkey processing plants, located in Huntingburg, Indiana (800), and Vincennes, Indiana (400), a distribution center in Huntingburg and various other activities around Dubois County (200), and 9 hubs (50) which currently employ 1,450 associates total.

The plants process approximately 60,000 head of tom turkeys daily on two shifts in Huntingburg and one shift in Vincennes, five days per week and fifty-two weeks per year. The turkeys average approximately 43lbs each which leads to over 650,000,000 live pounds annually. **Farbest is considered the 4<sup>th</sup> largest turkey company in the United States.**

The Huntingburg plant loads nearly 40 semi-tractor trailer loads of live turkeys each day for its processing needs, whereas, Vincennes loads approximately 30 semi-tractor trailer loads of live turkeys daily. These 70+ loads per day come from all the 225 area contract grower farms.

The process includes slaughter and de-boning of all the turkeys. There is no cooking at either facility as all product ships in the raw state. Meats are sold primarily fresh (75%) with some frozen (25%).

Farbest Foods, Inc. had sales of \_\_\_\_\_ in Fiscal 2018 and \_\_\_\_\_ in 2017. The top eight customers are as follows;

- |                           |   |
|---------------------------|---|
| 1.) Boars Head            | New Castle, Holland, Forest City (60)     |
| 2.) Sigma Alimentos       | Oklahoma, Texas, Minn. (60)               |
| 3.) Jennie-O Foods        | Minnesota, Wisconsin (13)                 |
| 4.) Plumrose Foods        | Iowa (10)                                 |
| 5.) Interra International | Texas, Gulf & South East Ports (12)       |
| 6.) Land O Frost          | Chicago, Madisonville, KY, Ark. (7)       |
| 7.) Tyson Foods           | Cinn., Ohio, Houston, Wisc., Missouri (5) |
| 8.) Dar Pro Ingredients   | Newberry, Ind. (100 loads/wk offal)       |

Export volume is 27% by weight, and 20% by value. The main export customers are Mexico, Africa, Latin America and Asia.

Other significant raw materials inputs are:

- 25 loads per week Liquid CO2 from Washington, IN.
- 7 Loads per week corrugated boxes and bulk bins – Michigan (2), Columbus (2), Vincennes (2), St. Anthony (1)
- 5 Loads per week of Dry Ice Pellets from Michigan/Ohio

## Farbest Farms, Inc.

Farbest Farms, Inc. owns all the live turkeys and supplies these turkeys to Farbest Foods, Inc. Farbest Farms employs 90 associates and works out of an office located in Jasper, In. These associates manage the grow-out operations for 17.5 million live turkeys annually.

In 2018, Farbest Farms had 225 contract turkey growers (independent farm families) in southern Indiana, Kentucky and southern Illinois. Farbest Farms owns the live turkeys, feed and medication on these farms while the contract grower owns the land and buildings and supplies the labor and utilities to grow the turkeys.

Over of grower contract pay is paid annually to these growers and this pay is based upon performance. A typical turkey farm would employ two people.

Farbest Farms provides nutrition, medication and grow-out expertise to the contract grower. The grower is then free to use best care practices of his own or those provided by Farbest to grow the best performing turkeys for his operation. Growers adhere to the National Turkey Federations Animal Care Guidelines as well.

The growers are contracted for 5-7 years with Farbest Farms, Inc. This provides the stability in revenue source for the grower as well as it provides for stability in a supply of turkeys for Farbest. A typical Gross Revenue per farm is nearly per year.

Farbest Farms, Inc., operates 9 Brooder Hub facilities in Southwestern Indiana (8) and Kentucky (1). These Hub farms grow the 1-day old turkey to 6 weeks old and then move these turkeys to contract grow-out farms for the remainder of the 20 weeks. Approximately 40 truckloads of 6-week-old turkeys are moved from these Hubs to the contract farms per week.

Farbest Farms, Inc., receives approximately 7 truckloads per week of baby turkeys from hatcheries located in Terre Haute, Ind., Iowa and Minnesota. Deliveries are made daily with the average turkeys per truck at 50,000. Terre Haute will account for 60%, Iowa 25%, Minnesota 10% and 5% others.

## JFS Milling, Inc.

JFS Milling, Inc. manufactures in Dubois and Bruceville, In., all the turkey feed for the Farbest Farms, Inc.'s turkeys. JFS completed construction of the original Dubois feed mill in October 2004

. The additional feed mill in Bruceville was completed in September 2013

JFS contracts with Wabash Valley Produce (Seger Family) to procure all the feed ingredients for the mills. Wabash Valley has been procuring feed ingredients for over 50 years and has the expertise to buy proficiently and as well, this arrangement saves duplication of efforts and eliminates potential bidding wars between Farms and WVP.

Ingredients are purchased locally if possible, with over 15.5 million bushels of corn and 145,000 tons of soybean meal making up the bulk of the cost.

JFS manufactures over 725,000 tons of feed annually to feed Farbest turkeys over two 12-hour shift operations, six days per week, and fifty-two weeks per year. JFS mills were built to manufacture 750,000 tons per year without significant capital outlays. The 55 associates run the automated mills' processes and deliver approximately 60% of the feed. The other 40% of the feed is hauled by contract carriers.

Bruceville production currently stands at 4,500 tons per week with loads as follows:

- 30 semi loads of finished feed per day, 6 days per week going to farms = 180 Per WK.
- 30 semi loads of ingredients coming in per day on average as follows:
  - Corn 50% Local row crop farmers (15)/day SEMI EQUIV.
  - Soybean Meal 20% Northern Indiana, Central Indiana, Illinois (6)/day
  - Animal Fats 8% Indiana, and (3)/day
  - Meat/Bone Meal 10% Wisconsin (3)/day

Dubois production currently stands at 9,500 tons per week with loads as follows:

- 65 semi loads of finished feed per day, 6 days per week going to farms = 390 Per WK.
- 65 semi loads of ingredients coming in per day on average as follows: = SEMI EQUIV.
  - Corn 50% Local row crop farmers (32)/day
  - Soybean Meal 20% Northern Indiana, Central Indiana, Illinois (13)/day
  - Animal Fats 8% Indiana, and (5)/day
  - Meat/Bone Meal 10% Wisconsin (6)/day

LOADS Feed Per WK 570

Summary:

Feed & Ingredients

➤ Ingredients Inward Identified	88% -	498 Loads Per Week	) 566
➤ Ingredients Inward Other	12% -	68 Loads Per Week	
➤ Finished Feed Delivered	100%-	570 Loads Per Week	

Live Turkeys

➤ Poults Delivered	100%	7 Loads Per Week
➤ Poults Moved From Hubs		40 Loads Per Week
➤ Live Turkeys to Processing	100%	350 Loads Per Week

Processing Plants

➤ Dry Goods Materials In-Bound	70%	37 Loads Per Week
➤ Dry Goods -Other Misc.	30%	15 Loads Per Week
➤ Finished Goods Outbound	80%	267 Loads Per Week
➤ Finished Goods Outbound Other	20%	67 Loads Per Week

**Total Loads Per Week**

**1,919 Loads Per Week**

Note: This is all just one-way freight – so every load is using transportation infrastructure double this amount as they travel the in or out version of all these loads.

**Ted Seger**

**From:** Brad Schnarr <bschnarr@wabashvalleyproduce.com>  
**Sent:** Tuesday, June 25, 2019 3:53 PM  
**To:** Ted Seger  
**Subject:** RE: Farbest Farms Animal Fat

Ted-

Below are our numbers and locations. I want to double check them in the morning as well but I will call if I find any differences.

Call with any questions.

Brad

	<u>Dubois</u>	<u>Bruceville</u>	<u>Total</u>	<u>Incoming Location</u>
	<u>Loads per week</u>	<u>Loads per week</u>	<u>Loads per week</u>	
Corn	230	115	345	Local Farmers
Bakery Meal	5	2.5	7.5	Terre Haute, IN
SBM	110	55	165	Lafayette, IN
53% Meat & Bone	25	12.5	37.5	Lynn Center, IL
Limestone	3	1.5	4.5	Bloomington, IN
CSA Bags	0.9	0.45	1.35	Delphos, OH
Defluorinated Phosphate	0.6	0.3	0.9	St. Louis, MO
Salt	0.6	0.3	0.9	St. Louis, MO
Provimi Bags	0.21	0.105	0.315	Lewisburg, OH
Choline	0.25	0.125	0.375	Verona, MO
Alimet	1.08	0.54	1.62	Indianapolis
L-Lysine	1	0.5	1.5	Decatur, IL
L-Threonine	0.21	0.105	0.315	Decatur, IL
Betaine	1.11	0.555	1.665	Bay City, MI
Fat	7	3.5	10.5	Union City, TN
Fat	4	2	6	Newberry, IN
Fat	6	3	9	Russelville, KY
Fat	2	1	3	Butler, KY
Fat	3	1.5	4.5	Watertown, WI
Fat	3	1.5	4.5	Greensburg, IN
Fat	2	1	3	Millersburg, OH
Fat	1	0.5	1.5	Greenville, OH
Fat	1	0.5	1.5	Joilet, IL

*Handwritten notes:*  
 - Above Total Loads per week: 382 (with arrow pointing to Corn), 114 (with arrow pointing to SBM), 54 (with arrow pointing to 53% Meat & Bone).  
 - Above Incoming Location: "Full Loads Semis" with arrow pointing to the location column.  
 - Next to Fat rows: A bracket groups the last 7 rows with "42" on the left and "48" on the right.  
 - At the bottom: "609" with an arrow pointing to the total of the last 7 rows.

	# of Trucks per week	Orgin Location	Delivery Location
Corn	50.00	S. Indiana Farmers	Dubois, IN
White Corn	10.00	S. Indiana Farmers	Dubois, IN
Bakery Meal	5.00	Henderson, KY	Dubois, IN
Wheat Midds	1.00	Mt. Vernon, IL	Dubois, IN
Soybean Meal	15.00	Lafayette, IN	Dubois, IN
Distillers Grain	9.00	Alexandria, IN	Dubois, IN
Meat & Bone Meal	5.00	Berlin, WI	Dubois, IN
Limestone	10.00	Bloomington, IN	Dubois, IN
CSA Bags	0.10	Delphos, OH	Dubois, IN
Salt	0.16	St. Louis, MO	Dubois, IN
Provimi Bags	0.06	Lewisburg, OH	Dubois, IN
Kalmbach Bags	0.27	Upper Sandusky, OH	Dubois, IN
Liquid Choline	0.05	Verona, MO	Dubois, IN
Aliment 88%	0.29	Indianapolis, IN	Dubois, IN
Amino Acids	0.31	Decatur, IL	Dubois, IN
Fat	1.00	Newberry, IN	Dubois, IN
Salt	1.00	St. Clair, MI	Dubois, IN
Cardboard	1.00	Vincennes, IN	Dubois, IN
Cleaning Chemicals	1.50	Henderson, KY	Dubois, IN
Cups	0.50	North Carolina	Dubois, IN
Incoming Liquid	2	Iowa	Dubois, IN
Incoming shell eggs	8	Northern Ohio	Dubois, IN
Pallets	0.5	Louisville, KY	Dubois, IN
Tanker Load	3	Dubois, IN	Tarboro, NC
Tanker Load	1.5	Dubois, IN	Traverse City, MI
Tanker Load	1.25	Dubois, IN	Chicago, IL
Tanker Load	2	Dubois, IN	Columbus, OH
Tanker Load	2	Dubois, IN	Horsecave, KY
Tanker Load	0.5	Dubois, IN	Cayce, SC
Tanker Load	5	Dubois, IN	Mauldrin, SC
Tanker Load	4.25	Dubois, IN	McDonough, GA
Tanker Load	0.5	Dubois, IN	Lebanon, IN
Tanker Load	11	Dubois, IN	Lake Odessa, MI
Tanker Load	1.25	Dubois, IN	Mason City, IA
Tanker Load	3	Dubois, IN	Huntington, IN
Tanker Load	1.5	Dubois, IN	Indianapolis, IN
Tanker Load	2	Dubois, IN	Zanesville, OH
Egg Cups	4	Dubois, IN	Chicago, IL
Shell Eggs- Sales	2	Dubois, IN	USA
Inedible Egg	2.5	Dubois, IN	ST. Louis
Shell eggs- Intercompany	15	Dubois, IN	Farina, IL
Spent Hens	5	Dubois, IN	Newberry, IN
Chicks	1	Dubois, IN	Warren, IN
	190.00		
Feed	125	Dubois, IN	Dubois, IN
Eggs	80	Dubois, IN	Dubois, IN
Manure	24	Dubois, IN	Dubois, IN
Pullets	8	Dubois, IN	Dubois, IN