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Project still growing: Leaders talk about Harrison County ethanol facility

By LEE MORRISON, T-R Business Editor

CADIZ – It's been slightly more than five years in the making, but officials of the proposed Harrison County Ethanol facility are assuring skeptics that the complex will be constructed.

Organizers said they hope to be in operation by the third quarter of 2007, weather permitting.

That's an important promise for the county's economy as the \$68.7 million project is expected to create about 170 jobs. The state-of-the-art ethanol production facility is expected to employ 107 people on site and will directly contract an additional 60 truck driving jobs.

Harrison Ethanol LLC is an Ohio-based company composed of Ohio farmers and business owners. Among its founding members are Delaware County resident Phil Cunningham, a Piedmont area native, and Brent Porteus of Coshocton. The proposed corn-based biorefinery facility is designed to produce 20 million gallons of fuel-grade ethanol annually. The 276-acre facility will be located off Dickerson Church Rd., south of Cadiz.

The complex will consist of several agricultural operations to help provide a consistent revenue stream. There will be a dairy operation of 2,000 cattle, plus a beef cattle operation of undetermined herd size. About half of the corn remaining from the distillation process will be fed to the animals on site. The rest will be sold to local farmers or dried for sale anywhere.

This past week, member managers Wendel E. Dreve and Marion C. Gilliland of Farmers' Ethanol LLC, the parent company of the Harrison project, met with county commissioners and the media to update them on the facility. Dreve and Gilliland are residents of Adamsville, north of Zanesville.

The major news was that an interim loan of \$600,000 to purchase the land has been paid off.

"And, that was a month early," said Chris Copeland, executive director and general counsel of the Harrison Community Improvement Corp., which is helping support the project.

The loan was through Consumers National Bank's Carrollton office and was taken out Sept. 30, 2005. It was paid off with funds from private investors in the project.

"To us, that's a big milestone," Dreve said.

"They've met a lot of milestones," Copeland said, adding that one of the reasons some people are skeptical is because "you just can't drive by the site and see the progress yet."

Dreve said that the site has been cleared of trees and shrub brush that will allow final surveys to be completed to comply with the many rules and regulations for the property. He expects heavy excavation to begin in about four weeks, weather permitting. Proper dryness is a key because a 30-inch clay liner must be installed as

a foundation before concrete and buildings can be added. He expects the heavy construction and steel to be erected in the fourth quarter of this year.

Dreve said the project expects to draw workers from a 100-mile radius, especially for some of the specialty aspects of construction, but "we'll try to get as many from the region as we can. We'll start hiring when the heavy construction begins. Workers will be phased in. We expect some of the local construction workers to become part of the production crew."

At its peak, construction will involve 380 to 400 jobs.

Construction will not be a fast process, at least at first. For instance, the clay will be installed 6 inches at a time, with the process to take about six weeks. It will take 21 days for the concrete to cure before steel begins to go on top of it.

"Once the steel is up, we can work through the winter months," he said, stressing "it's all subject to the weather."

Clearing the land also found steel left behind by the previous owner. That was a bonus as the salvaged steel was sold. However, an old railroad spur must be removed.

Construction of a new 7.1-mile railroad spur from just north of Rt. 22 into the property is expected to cost \$700,000 to \$1 million. The owners are working with officials of Ohio Central Railroad on the spur, which is expected to take four months to install. There also will be some rail siding on the property, with areas for public loading and unloading of material. Dreve expects to use 9 million tons of shelled corn annually.

Five years from now, Dreve said he expects to see "product leaving the complex regularly and the agricultural community focused on what role they want to do in this – whether it's raising corn, hay, fodder or beef for the operation. I think we'll see new fence being built and new farm structures being built as farm land is resurrected. I think it will be a real shot in the arm. Dickerson Church Rd. will be repaved and it make a defacto bypass around Cadiz and cut down on truck traffic through the village. It will cut down on the dirt and noise of the trucks. It's going to be a huge opportunity for the economy to develop in Harrison County and surrounding counties."

"That's been my vision for this, once it gets rolling," said county Commissioner Phil Madzia.

Commissioner Dennis Watson said he sees a positive impact overall as roads, water and sewer infrastructure improves and more of the county can be developed.

Dreve pointed out that Consumers National Bank has financed more projects in Harrison County after getting involved in the ethanol facility. He said organizers had gone to many local banks. However, Copeland said that Consumers is "a locally owned community bank in the region and traditionally more focused on agricultural projects than other banks."

Copeland repeated that people should not be discouraged.

"This is a \$73-million project and it takes a long period of time to get permits and governmental approvals to go to the next stage, and those processes never happen as rapidly as one would like. We're still confident this is going to move forward.

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