



**Research Addendum to  
Economic, Fiscal, and Social Impacts of the  
Transition of Electricity Generation Resources in Indiana**

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# Research Addendum to Economic, Fiscal, and Social Impacts of the Transition of Electricity Generation Resources in Indiana

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# EXECUTIVE SUMMARY

At the request of the Indiana Utility Regulatory Commission, researchers from the Indiana University Public Policy Institute completed two additional analyses related to the *Economic, fiscal, and social impacts of the transition of electricity generation resources in Indiana* report published in August 2020. These analyses included: follow-up interviews with the stakeholders interviewed in the original report about the upcoming closing of the Petersburg Generating Station Units 1 and 2 and the four coal-fired generation units at the Schahfer Generating Station, as well as an analysis of the effects of closing the Tanners Creek Generating Station in 2015. For the latter analysis, the research team analyzed data from Indiana Michigan Power Company (I&M), secondary economic and fiscal data, and media reports. The team also interviewed local and regional stakeholders. Findings from both research elements are summarized below. Readers are encouraged to refer to the August 2020 report, which can be found on the [Commission's website](#)<sup>1</sup> and the detailed findings in this report.

## **Stakeholder follow-up—Petersburg and Schahfer generating station closures**

Petersburg and Schahfer stakeholders reported no known changes in the Indianapolis Power & Light Company (IPL) and the Northern Indiana Public Service Company (NIPSCO) plans for the closures or additional information about the companies' plans for addressing workforce reductions. Both groups reported that some community members still do not believe the closures will happen.

Both groups reported considerable activity to plan for and mitigate the effects. Pike County Economic Development Corporation (EDC) reported that the construction of a business incubator—the Entrepreneurship and Technology Center—is almost complete. They also indicated that marketing for the new industrial park—Southwest Indiana Megasite—is ongoing, and Petersburg received a U.S. Economic Development Administration drinking water grant to support recruitment of new and retention of existing businesses. Jasper County reported continued efforts to implement its plan—"Preparing for growth after 2020"—including working with Purdue Extension to update the county comprehensive plan and unified development ordinance, working with municipal officials to extend utilities to the Interstate 65 interchanges, and adopting a county tax increment finance district to support these extensions. The Daviess County EDC reported convening local stakeholders to have conversations about the local skills gap and how to find and access any untapped workforce.

Since the spring, solar farm projects were announced for Jasper and Pike counties. These projects will help to mitigate assessed value losses for the local governments. Each project is expected to create 300–350 construction jobs in the short-term and a few ongoing maintenance and/or security jobs.

Stakeholders reported a number of ongoing concerns and challenges. Pike County stakeholders remained concerned about the limited information from IPL about transitioning employees and suppliers that will be affected. They also expressed concern about maintaining a sense of urgency about taking actions to mitigate the effects of the closures. The Pike County EDC remains concerned about population loss and

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1 Indiana Utility Regulatory Commission website link: <https://www.in.gov/iurc/3142.htm>

identified a very tight housing market as a limiting factor for other efforts. The Daviess County EDC also expressed a need for rental units and \$150K–\$250K single-family housing. Both organizations identified project economics as an impediment to developing market-rate housing.

Both groups expressed concerns about having reliable access to energy at cost-competitive prices during the transition to renewables. Northwest Indiana industries—some that are energy-intensive—are convening to plan and are considering options for self-generation. Both groups also indicated that there has been some local opposition to the proposed solar farms. In Pike County, they believe that the limitations of the pandemic have made it difficult for residents and landowners to get timely responses.

### **Local impacts of the Tanners Creek Generating Station retirement**

The Tanners Creek Generating Station was a 982-megawatt coal-fired facility in Lawrenceburg, owned by Indiana Michigan Power Company (I&M). I&M is an American Electric Power (AEP) company. In 2011, the company first announced three units would close in 2015, followed by an announcement in 2013 that the fourth unit also would close the same year. The facility closed in May 2015.

I&M reported that 109 employees were working at the site when the plant closed. At the time, 70 percent of these employees lived in Dearborn County and 25 percent in other Indiana counties. The remainder of the employees lived in the Cincinnati region in Ohio and Northern Kentucky. AEP reported that the 2014 payroll for Tanners Creek was \$7.7 million, suggesting average wages per employee were about \$67,000 per year. These wages were substantially higher than the 2014 average earnings per job in Dearborn County—\$40,447.

I&M was able to identify the disposition of employees who worked at the plant at closing. Twenty-seven employees took jobs within AEP: 22 in Indiana and 5 outside Indiana. Two employees chose layoff rather than severance and were terminated after two years. Seventy-nine employees received severances: 50 employees retired and 29 took severance as deferred annuitants. One employee stayed on for the demolition of the plant. Anecdotal information suggests that 9–12 employees participated in closing the site for a period of time after the closure and took severances after those roles ended.

Local and regional stakeholders agreed that the closure of the plant had a substantial impact on the employees who were displaced and their families. One stakeholder referred to the Tanners Creek jobs as generational. Employees and their households faced relocation or commuting, both of which were challenging. Some employees took advantage of workforce development assistance to access the training or retraining needed for new positions. A least one household was identified as still struggling to recover in 2020.

The analysis of potential economic impacts from the plant closure found little evidence of negative impacts on Dearborn County's overall income, salaries and wages, and employment and proprietors' income from the shutdown of Tanners Creek. Although employees of Tanners Creek received wages well above county and state averages, the total payroll of the plant was less than 1 percent of total Dearborn County wages.

The fiscal analysis indicates mixed results for the impact of the Tanners Creek closure. Property tax collections appear to have been negatively affected for the city of Lawrenceburg and the Lawrenceburg Community School Corporation. For Dearborn County there appears to be little, if any, impact from the



closure, possibly due to the low value of the plant property as a percentage of the total value of all property in the county. For Lawrenceburg Township, the amount of property tax levy is so small that the effects of lost property value can be easily made up through an increase in their property tax levy and tax rate.

The city of Lawrenceburg and the school corporation appear to have adjusted to their property tax levies for 2017 after losses of property value totaling about 13 percent and 8 percent in 2016, respectively. The first assessment year in which the full amount of lost property value from the plant closure was recorded in 2016 because the plant closed in May 2015.

Income taxes did not appear to be affected in any significant way after the plant closure. This is not surprising given our analysis of income and wages generated before, during, and after closure, which showed that the level of plant employment and wages comprised only a very small amount of total wages and income generated in the county. Total income tax collections for the county increased steadily during the tax study period.

In fall 2016, a commercial real estate and brownfield redevelopment firm purchased the plant and surrounding real estate. In 2017, the firm entered into an agreement with the Ports of Indiana for the transfer of the property and to allow for the study of the site for its suitability as a port. Recently, the state has not extended the agreement due to environmental cleanup concerns.

Stakeholders expressed concern and frustration about the announcement that the transaction was canceled. They also expressed concerns about the adequacy of the environmental cleanup and monitoring of fly ash contamination. In addition, they were concerned about a large centrally located site being economically dormant and susceptible to becoming blighted. They are now focused on retooling their redevelopment efforts, including those to hasten the environmental cleanup and to identify additional potential uses for the site.

# INTRODUCTION

This report is an addendum to August 2020 report *Economic, fiscal, and social impacts of the transition of electricity generation resources in Indiana*, which appears in the Indiana Utility Regulatory Commission’s, *2020 Report to the 21st Century Energy Policy Development Task Force*. The addendum includes two additional analyses: follow-up interviews with the stakeholders interviewed in the original report about the upcoming closing of the Petersburg and Schahfer generating stations, as well as an analysis of the effects of closing the Tanners Creek Generating Station in 2015. In the latter case, the research team collected primary data from Indiana Michigan Power Company (I&M), secondary economic and tax data, and media reports. The research team also interviewed local and regional stakeholders.

## STAKEHOLDER FOLLOW-UP—PETERSBURG AND SCHAHFER GENERATING STATIONS CLOSURE

The research team initially interviewed local and regional stakeholders in March and April 2020 about the partial closure of the Petersburg Generating Station and the closure of the coal-fired units at the Schahfer Generating Station. IURC requested follow-up interviews be conducted with these stakeholders about any changes since the initial interviews. Tables 1 and 2 show the stakeholders who agreed to be interviewed a second time. Figure 1 shows the follow-up questions. Input provided by these stakeholders is summarized below.

**TABLE 1. Local and regional stakeholders—Petersburg Generating Station**

NAME	TITLE	ORGANIZATION
Bryant Niehoff	Executive Director	Daviess County Economic Development Corporation (EDC)
David Rhoads	Mayor	City of Washington
Jeff Quyle	President and CEO	Radius Indiana
Ashley Willis	Executive Director	Pike County Economic Development Corporation (EDC)
Sara Worstell	Executive Director	Grow Southwest Indiana Workforce/WorkOne (Region 11)

**TABLE 2. Local and regional stakeholders—Schahfer Generating Station**

NAME	TITLE	ORGANIZATION
Kendell Culp	Commissioner	Dearborn County
Heather Ennis	President and CEO	Northwest Indiana Forum
Ty Warner	Executive Director	Northwestern Indiana Regional Plan Commission
Kathy Luther	Chief of Staff and Director of Environmental Programs	Northwestern Indiana Regional Plan Commission
Gabrielle Biciunas	Economic Development District Coordinator	Northwestern Indiana Regional Plan Commission
Matt Sheafer	Farmer/business owner	N/A

## **FIGURE 1. Follow-up interview questions—Petersburg and Schahfer generating stations**

1. At this point in the process, how significant do you expect the impacts of these changes to be in your community?
2. Has any new information on the effects of the upcoming closing become apparent since we spoke in the spring?
3. Have you observed new signs of changes in your community? If so, how?
4. How optimistic are you that government and economic development officials understand the severity of your local challenges? Are they more aware now than they were in the spring?
5. Are there any new or expanded efforts by your organization or others to address the effects of the closure that have begun or that you have become aware of since we spoke in the spring?
6. At this point in the process, how effectively has your community planned for this event to date?
7. Is there additional information that the community needs to plan for the closure?

Readers may find it useful also to refer to the appropriate sections in the August report, which can be found on the [Commission's website](#).<sup>2</sup>

## **Petersburg updates**

Input from the local and regional stakeholders affected by closing Units 1 and 2 at the Petersburg plant is summarized below under three themes: new information or signs of change, new or continuing local efforts, and remaining challenges.

### **New information and signs of change**

When asked about whether the effects of the upcoming closure were apparent in the community, local and regional stakeholders offered a few updates:

- The Indianapolis Power & Light Company (IPL) human resources department is still evaluating its strategy for transitioning employees with the closure of Units 1 and 2. Local stakeholders expect that the first phase of layoffs will be accomplished principally through retirements.
- There is some evidence that mining companies have been laying off workers, possibly due to the coronavirus (COVID-19) pandemic. The city of Washington is receiving employment applications from some of these displaced workers.
- In Pike County, some IPL employees are starting to talk about selling their homes.

### **Local efforts to address effects**

In the previous report, stakeholders identified a number of efforts they had begun or undertaken to address, at least in part, the expected effects of the partial closures. In the follow-up interviews, they provided additional information on those efforts. In a few cases, stakeholders identified new efforts.

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<sup>2</sup> Indiana Utility Regulatory Commission website link: <https://www.in.gov/iurc/3142.htm>

- The Entrepreneurship and Technology Center construction is almost complete. Local conversations about programming at the center are ongoing.
- Marketing for the Southwest Indiana Megaproject—the 4,000-acre shovel-ready industrial park near Interstate 69—continues. Several firms have shown interest. Part of the site is currently shovel ready. The Pike County Economic Development Corporation (EDC) is working to manage potential negative perceptions of the risks associated with developing reclaimed mine land. These areas of the site may require seismic testing and the installation of footers.
- In October 2020, the city of Petersburg received a \$4.2 million U.S. Economic Development Administration (EDA) grant through the Assistance to Coal Communities program for improvements to its drinking water system and to support existing businesses and to attract new ones.<sup>3</sup>
- WorkOne and the Pike County EDC have started conversations about addressing the closure.
- The Pike County EDC has participated in a number of trade shows and meetings with site selectors. The Pike County and Daviess County economic development corporations both reported participating in a pitch to a food and beverage industry site selector. Radius Indiana has facilitated access to site selectors for both EDCs.
- A new \$128 million 150 megawatt (MW) solar farm—the Ratts I Solar Project—will be built in Pike County as the result of IPL's 2019 request for proposals. The developer is Capital Dynamics' Clean Energy Infrastructure unit. The project is expected to break ground in summer 2021 and to be operational in 2023. The project will create 350 construction jobs and four full-time maintenance positions.<sup>4,5</sup> The development will help replace some of the assessed value lost due to reassessment of the Petersburg plant.
- Radius Indiana has worked with the Pike County EDC and the city of Petersburg on a regional grant to install charging stations for electric vehicles.
- As part of the implementation of the "Daviess County quality of place and workforce attraction plan" and, in part, in response to the upcoming IPL plant closure, local stakeholders are having conversations about how to fill the local skills gap, including local schools and corrections agencies. The group is working to identify areas of untapped workforce.
- Several new economic development projects are coming to the region, including True Rx Management Services in Washington. The unemployment rates have been reduced in Daviess, Martin, and Dubois counties from the early COVID-19 period.

## Remaining challenges

Stakeholders identified a number of remaining challenges their communities face related to the upcoming closures and their abilities to respond:

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<sup>3</sup> U.S. Economic Development Administration, 2020.

<sup>4</sup> Brown, A., September 3, 2020.

<sup>5</sup> *Press Dispatch*, July 9, 2020.

- Stakeholders would like more transparency from IPL about the number of jobs that will be transitioning and the timeline for those changes. IPL has communicated that they are still evaluating their strategy for a transition. A WARN notice is issued 60 days before a layoff. Organizations, such as WorkOne, would like to start preparing the affected employees as soon as possible.
- One stakeholder also would like transparency about the IPL suppliers likely to be affected. These firms may need assistance with expanding their customer bases.
- Pike County stakeholders indicated having difficulty sustaining a local sense of urgency. Some in the community still do not believe that the closure will happen.
- Pike County stakeholders remain concerned about population loss. If former IPL employees relocate, it often means losing a family rather than just an individual. The community potentially loses another local worker and their children as well.
- Pike County EDC indicated that there was some opposition to the siting of the solar farm. The pandemic may have exacerbated the frustration among residents and property owners because the typical methods of communicating between developers and local stakeholders were limited by COVID-19.
- Pike and Daviess county stakeholders identified a lack of housing inventory as an impediment to other efforts. In Pike County, any house on the market sells quickly. Currently, there is no transitional housing that would allow families to upsize or downsize without them being fixer uppers. Recently a builder approached Peterburg about developing a market-rate subdivision. They requested a subsidy from the city in order to make the project viable. The city did not choose to participate due to fiscal challenges. In Daviess County, an official identified a need for 50–100 rental units and for single-family housing at a price point \$150K–\$250K. The official also cited stigma around subsidized apartment rental housing and sufficient return on investment for developers as challenges.
- Multiple Pike County stakeholders remain concerned about whether the reliance on renewables to replace retired coal-fired capacity will result in sufficient infrastructure and capacity at a reasonable cost for users.
- As mentioned above, the surrounding regions still has many open jobs. These are not likely to be union jobs or to have comparable wages to IPL.

## Schahfer updates

Input from the local and regional stakeholders affected by closing the coal-fired generation units at the Schahfer plant is summarized below under three themes: new information or signs of change, new or continuing local efforts, and remaining challenges.

### New information and signs of change

Local and regional stakeholders offered a few updates when asked about new information or signs of change since the original interviews in the spring 2020.

- Jasper County stakeholders are still in communication with Northern Indiana Public Service Company (NIPSCO) about the closure and ongoing tax issues. The company is

planning for a May 2023 closure of the coal-fired units at the site. They have indicated that they cannot absorb the lost jobs within the company.

- One Jasper County stakeholder suggested that plant employees are confirming the closure. There isn't an indication that the employees intend to leave early, however.
- NIPSCO has been reducing management through retirement.
- Business in the Northwest Indiana region continues to grow. Unemployment in the Northwest Indiana region went up at the beginning of the COVID-19 pandemic and has now started to improve.
- Previously, the steel mills in northwest Indiana were identified as potential comparable positions for transitioning Schahfer employees. In late 2020, ArcelorMittal announced that it planned to sell its East Chicago, Burns Harbor, and Gary operations.<sup>6</sup> The effects of this sale on operations are unknown at this time.

### **Local efforts to address effects**

Stakeholders provided updates on efforts to mitigate the impacts of closure that were identified previously as well as information on any new efforts:

- NextEra has entered into a develop-and-transfer agreement with NIPSCO to develop the 700 MW Dunns Bridge Solar Farm. The project will be built in two phases. One of the projects is located solely in Jasper County, and the second is located principally in the county. The first phase will begin operations by the end of 2022, and the second will begin operations by the end of 2023.<sup>7</sup> NextEra currently is negotiating long-term leases with landowners. NIPSCO will own and operate the solar farms after development.<sup>8</sup>

NextEra estimates the value of the Jasper County phases as \$1 billion. These solar farms and the Schahfer plant are located within the same township and school district. These projects will replace the lost assessed value as the result of the closure in the short term. The county approved a seven-year tax abatement for the project. Local stakeholders expect that the solar equipment will reach full obsolescence within about seven years.

NextEra estimates the project will provide 200–300 construction jobs and a small number of ongoing employees for maintenance and security.

- Jasper County is moving forward with the implementation of its plan, *Preparing for Growth after 2023*. The Jasper County EDC continues to spearhead these efforts.

Jasper County continues to work with Purdue Extension on the update of its comprehensive plan and unified development ordinance. The county also is working with municipalities to extend utilities to the Interstate 69 interchanges within the county. The U.S. Highway 24 interchange currently has utilities, and Rensselaer

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6 Pete, J.S., December 1, 2020 (updated December 14, 2020).

7 NextEra Energy Resources, n.d.

8 *Indiana Economic Digest*, October 25, 2020.

Utilities serves one side of the interchange at State Road 114. There is an agreement with DeMotte to extend utilities to the Interstate 65/State Road 10 corridor.<sup>9</sup> The county also has adopted a tax increment finance (TIF) district to support one of the extensions.

- In late 2019, the Northwestern Indiana Regional Plan Commission (NIRPC) was designated by the U.S. Economic Development Administration as the Economic Development District for Lake, Porter, and LaPorte counties. NIRPC maintains the comprehensive economic development strategy (CEDs).
- The Double Track NWI project—to add a second track to the South Shore Line from Gary to Michigan City—is progressing. Property acquisition for additional right-of-way began in spring 2020 and will continue into early 2021.<sup>10</sup>
- While the pandemic creates some uncertainty, one Northwest region stakeholder expressed continued confidence that transitioning employees from the Schahfer and Michigan City plants can be absorbed within the region.

### **Remaining challenges**

Stakeholders identified a number of remaining challenges their communities face related to the upcoming closures and their abilities to respond:

- Jasper County currently is negotiating with NIPSCO about the assessed value of the plant in two property tax appeals. They remain frustrated with the opacity of the State Assessed Distributable Property process and the inability for local governments to appeal those assessments.
- Jasper County remains concerned about legislative efforts to standardize the assessment of solar projects. They value being able to exercise local control. The county has chosen a mix of local revenues in order to be competitive.
- Jasper County stakeholders suggested that some people in the county still don't think that the coal-fired units will close.
- The solar farm proposal has drawn some opposition locally from people who express concerns, in part, about removing good farmland from production. One Jasper County stakeholder indicated that the location of the solar equipment would be on less productive ground.
- In Jasper County, there remains some concern about environmental issues and cleanup of the Schahfer site.
- Reliable, competitively priced energy is a concern among manufacturers in Northwest Indiana, particularly as energy companies transition to less-tested renewables. Manufacturing firms want to ensure that the transition to renewables is seamless and that there are continued reliability and competitive energy costs. A group of these firms has been developing a regional energy strategy. Self-generation may be a viable, strategic option for some of these energy-intensive firms. NIPSCO also regularly meets with local manufacturers.

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<sup>9</sup> Shelhart, C., October 6, 2020.

<sup>10</sup> Northwest Indiana Commuter Transportation District, 2020

# LOCAL IMPACTS OF THE TANNERS CREEK GENERATING STATION RETIREMENT

The Tanners Creek Generating Station was a 982 MW coal-fired facility located in Lawrenceburg on the Ohio River.<sup>11</sup> It was owned and operated by Indiana Michigan Power (I&M), an American Electric Power company (AEP). I&M reported using out-of-state coal from mines in Colorado, Kentucky, Pennsylvania, West Virginia, and Wyoming (2012–15).

The plant opened in 1951. AEP announced in June 2011 that it would retire Units 1–3 in mid-2015. It announced in mid-2013 that Unit 4 also would be retired in mid-2015.<sup>12</sup> The plant closed in May 2015.

The station was located in the city of Lawrenceburg and within the Cincinnati, Ohio OH-KY-IN Metropolitan Statistical Area. The 700-acre site is approximately 31 miles from downtown Cincinnati and less than 4 miles from the Interstate 275 beltway encircling Cincinnati.

As mentioned above, the research team collected employment, economic, and tax data from I&M, the media, and other sources. These sources are documented in the discussions below. The research team also interviewed local and regional stakeholders. The bulk of this input is provided in a separate section, but relevant input is integrated into the other sections as well.

## Employment

News reports suggest that the plant employed 115 workers in May 2013.<sup>13</sup> I&M reported that 109 employees worked at the Tanners Creek plant when it closed. At that time, 70 percent of employees lived in Dearborn County zip codes. Twenty-five percent of employees lived in Indiana zip codes outside Dearborn County, and 6 percent lived in Ohio and Kentucky (Figure 2).<sup>14</sup>

I&M was able to identify the disposition of employees who worked at the plant at closing.<sup>15</sup> Twenty-seven employees took jobs within AEP—22 in Indiana and 5 outside Indiana. Two employees chose layoff rather than severance and were terminated after two years. Seventy-nine employees received severances, 50 employees retired and 29 took severance as deferred annuitants. One employee stayed on for the demolition of the plant.

The company reports that the terminations and severances began on June 1, 2015, when the plant closed. Anecdotal information suggests that 9–12 employees participated in closing the site for a period of time after closure, and took severances after those roles ended.

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11 Indiana Michigan Power Company, 2013.

12 Cox. C., 2013.

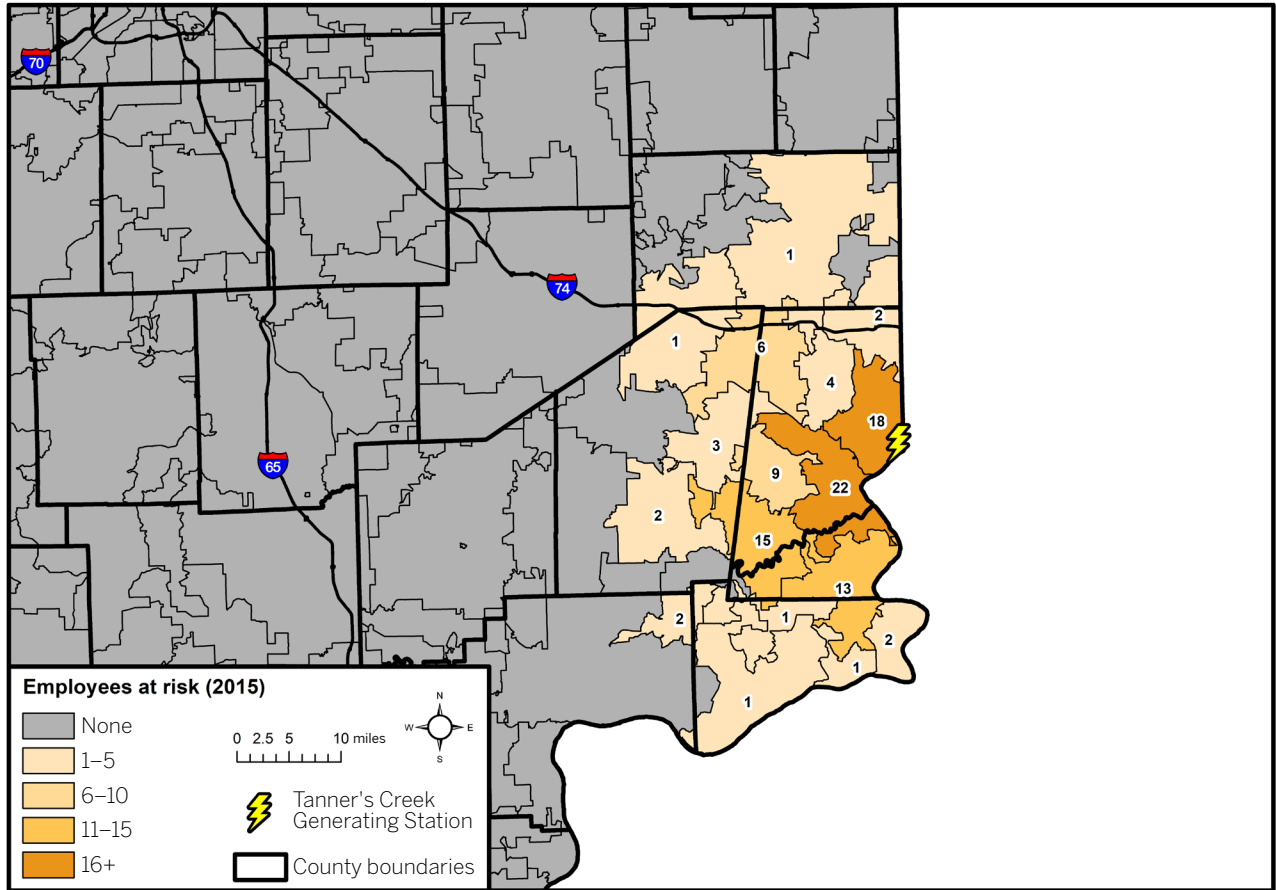
13 Cox, 2013.

14 Percentages may add up to more than 100 percent due to rounding.

15 I&M reported that the employees working at the plant included both plant employees and non-plant employees who were stationed or headquartered at the plant. The latter were not part of the plant closing negotiations but were affected by the closures (Email communications with Thomas Dawson, December 4, 2020).



**FIGURE 2. Tanners Creek Generating Station employment losses in Indiana from closure by zip code of employee residence (2015)**



Source: I&M, 2020.

I&M issued a WARN notice in March 2015.<sup>16</sup> WorkOne and the Southeastern Indiana Workforce Investment Board began formally engaging with employees at that time. There was and still is a WorkOne location in Lawrenceburg. WorkOne staff visited the plant many times. In April 2015, WorkOne implemented the Rapid Response program to connect employees with training and access to other opportunities. At that time, unemployment insurance was administered from WorkOne offices. WorkOne staff also provided information to employees about those resources.

These workforce organizations indicated that many employees did not use WorkOne services at the time. In some cases, they used them later. One stakeholder provided some limited specific outcomes. In one case, an employee accessed industrial maintenance training and went on to get a position in that field. Several employees went to work at Ivy Tech in a variety of roles. One stakeholder also identified that one or more families were disrupted when one member stayed local and the other relocated for a job at the Rockport plant. Another suggested that a few of the former employees reported that they were still struggling in 2020.

<sup>16</sup> Refers to a notice under the Worker Adjustment and Retraining Notification Act of 1988.

## Wages and compensation

AEP reported in a company publication that the 2014 payroll for Tanners Creek was \$7.7 million. This suggests that average wages at that time were about \$67,000 per year (unadjusted for inflation).<sup>17</sup> The 2014 average earnings per job in Dearborn County was \$40,447 (not adjusted for inflation).

## Analysis of income and employment changes

The research team examined income and employment data for Dearborn County from 2011 through 2018 to identify possible effects from the announcement and closure of the Tanners Creek Generating Station. The research team selected 2011 as the starting year because I&M announced the closure of three of the four units in that year. Tanners Creek ceased all operations in May 2015. There were no partial closures either before or after May 2015 that extended operations. The team selected 2018 as the end year due to limitations on the data and the determination that 31 months after shutdown would be sufficient time to observe any effects from the end of operations.

The analysis used data from the U.S. Department of Commerce Bureau of Economic Analysis (BEA), as well as data from the U.S. Department of Labor to adjust income data to constant dollars. The research team analyzed place of residence data, including—personal income by place of residence, select sub-components of personal income, per capita income, and population changes. The team also analyzed place of work data, including—non-farm proprietors' income, average earnings per job, average wage and salary employment, and average wages and salaries. Place of residence data represents earnings and employment by people living in Dearborn County, whereas place of employment data represents earnings and employment that takes place in Dearborn County, regardless of where the income earner lives.

The analysis below indicates that the closure of Tanners Creek had little effect on overall employment but may have been a more significant contributor to income losses and increases in non-employment income in Dearborn County in 2014 and 2015.

I&M reported employing 109 workers at the Tanners Creek Generating Station when it closed. In 2015, employment in Dearborn County was 19,914.<sup>18</sup> Employment at Tanners Creek represented only 0.5 percent of jobs in Dearborn County. AEP—I&M's parent company—reported that 2014 payroll at the plant was \$7.7 million. Estimated earnings made up less than 1 percent of Dearborn County's \$796.8 million 2015 earnings by place of work (not adjusted for inflation).<sup>19</sup> The difference in percentage of employees and percentage of payroll costs may be attributed to the estimated implied average employee earnings of \$67,000 for employees at Tanners Creek, which is nearly \$20,000 more per employee than Dearborn County average earnings per job of \$40,447 (not adjusted for inflation).

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<sup>17</sup> Waitkus, D., 2015.

<sup>18</sup> In the report released in August 2020, the research team used private sector employment to provide context around the potential losses. In the current analysis, the team used a total employment for context in order to be consistent with other data.

<sup>19</sup> Earnings by place of work include wages, salaries and common benefits such as insurance and payroll taxes. Costs reported as payroll by employers are assumed to include the same costs.

Although the percent of employment at Tanners Creek was relatively insignificant compared to total Dearborn County employment, the research team reviewed the Dearborn County long-term unemployment rate for the analysis period. Table 3 shows the monthly unemployment rates for Dearborn County for May in each of the study years. In May 2011—four years prior to the closure of Tanners Creek—the Dearborn County unemployment rate was 9.2 percent. For context the 2011 annual rate of unemployment for the county was 9.6 percent. Both rates were not adjusted for seasonal employment. The data shows a steady decrease in unemployment between 2011 and 2018, with a few exceptions, notably in January and February of each calendar year. This pattern remained the same even in the years immediately before, during, and after the closure.

**TABLE 3. Dearborn County monthly unemployment rates**

DATE	% UNEMPLOYED
5/1/2011	9.2
5/1/2012	8.2
5/1/2013	8.4
5/1/2014	6.4
5/1/2015	5.1
5/1/2016	4.4
5/1/2017	3.4
5/1/2018	3.3

Source: Federal Reserve Bank of St. Louis

Note: This data is not seasonally adjusted.

To analyze income trends, all data was adjusted to constant dollars using the U.S. Department of Labor’s Chained Consumer Price Index for All Urban Consumers (C-CPI-U) with 2011 as the base year. The research team chose this index because chained indexes assume substitution effects, which occurs when consumers look for cheaper substitutions for comparable consumer goods as prices increase. This index tends to produce lower increases in inflation than a non-chain-weighted CPI.

Personal income is a variable commonly used to analyze incomes. Personal income, however, includes several components, some of which are not derived directly from employment or business activity. Therefore, while examining personal income changes in a community may be a useful starting place for observing effects from changes in employment, examining subcomponents may provide better insights.

Table 4 and 5 provide information on population, employment, personal income, and relevant components of personal income for the years 2011 through 2018. Table 4 shows the data by place of residence and Table 5 shows the data by place of work.

Dearborn County’s population dynamics may be best described as static over the study period. Population changes ranged from a decrease of 0.6 percent in 2014 to an increase of 0.4 percent in 2016. Between 2011 and 2018, the county’s total population decreased by 417 persons or 0.8 percent.

Total employment in Dearborn County ranged from a low of 19,700 in 2014—the year before the Tanners Creek closure—to a high of 20,610 in 2011. County employment in 2018 was 20,363, 247 fewer jobs than 2011. Total employment declined steadily between 2011 and 2014, with a slight rebound in 2015 of 1.1 percent, and an additional 2.3 percent increase in 2016. The most significant driver of these changes was proprietors’ employment, especially non-farm proprietors’ employment. Dearborn County is considered a

**TABLE 4. Dearborn County economic profile—place of residence**

DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018
Population (persons)	49,985	49,727	49,740	49,420	49,453	49,434	49,629	49,568
Percent change	N/A	-0.5%	0.0%	-0.6%	0.1%	0.0%	0.4%	-0.1%
<b>Personal income</b>								
Personal income (thousands)	\$1,855,996	\$1,917,398	\$1,918,368	\$1,951,103	\$2,049,193	\$2,059,180	\$2,093,341	\$2,146,764
Percent real change	N/A	3.3%	0.1%	1.7%	5.0%	0.5%	1.7%	2.6%
Net earnings by place of residence (thousands)	\$1,240,485	\$1,267,796	\$1,278,365	\$1,277,888	\$1,333,703	\$1,335,796	\$1,356,566	\$1,383,524
Percent real change	N/A	2.2%	0.8%	0.0%	4.4%	0.2%	1.6%	2.0%
<b>Personal current transfer receipts</b>								
Unemployment insurance compensation (thousands)	\$16,041	\$11,409	\$7,010	\$3,468	\$2,797	\$2,555	\$2,020	\$1,930
Percent real change	N/A	-28.9%	-38.6%	-50.5%	-19.3%	-8.6%	-20.9%	-4.5%
Retirement and other (thousands)	\$310,858	\$317,619	\$323,516	\$347,805	\$374,739	\$377,458	\$382,182	\$392,142
Percent real change	N/A	2.2%	1.9%	7.5%	7.7%	0.7%	1.3%	2.6%
<b>Per capita incomes</b>								
Per capita personal income	\$37,131	\$38,559	\$38,568	\$39,480	\$41,437	\$41,655	\$42,180	\$43,309
Percent real change	N/A	3.8%	0.0%	2.4%	5.0%	0.5%	1.3%	2.7%
Per capita net earnings	\$24,817	\$25,495	\$25,701	\$25,857	\$26,969	\$27,022	\$27,335	\$27,912
Percent real change	N/A	2.7%	0.8%	0.6%	4.3%	0.2%	1.2%	2.1%

Note: All monetary data has been adjusted for 2011 constant dollars using chained CPI.

Sources: U.S. Bureau of Economic Analysis; U.S. Department of Labor.

**TABLE 5. Dearborn County economic profile—place of work**

DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018
<b>Employment</b>								
Total employment (jobs)	20,610	20,365	20,193	19,700	19,914	20,374	20,155	20,363
Percent change	N/A	-1.2%	-0.8%	-2.4%	1.1%	2.3%	-1.1%	1.0%
Wage and salary employment (jobs)	15,494	15,393	15,098	14,740	14,920	15,247	15,075	15,162
Percent change	N/A	-0.7%	-1.9%	-2.4%	1.2%	2.2%	-1.1%	0.6%
Nonfarm proprietors' employment	4,591	4,466	4,585	4,453	4,489	4,625	4,586	4,712
Percent change	N/A	-2.7%	2.7%	-2.9%	0.8%	3.0%	-0.8%	2.7%
<b>Earnings</b>								
Wages and salaries (thousands)	\$572,306	\$574,694	\$539,561	\$525,421	\$553,514	\$550,212	\$541,400	\$556,329
Percent real change	N/A	0.4%	-6.1%	-2.6%	5.3%	-0.6%	-1.6%	2.8%
Nonfarm proprietors' income (thousands)	\$82,109	\$97,091	\$102,589	\$94,498	\$92,059	\$91,960	\$94,530	\$97,119
Percent real change	N/A	18.2%	5.7%	-7.9%	-2.6%	-0.1%	2.8%	2.7%
Average earnings per job	\$38,679	\$39,987	\$38,712	\$38,635	\$39,331	\$38,308	\$38,014	\$38,582
Percent real change	N/A	3.4%	-3.2%	-0.2%	1.8%	-2.6%	-0.8%	1.5%
Average wages and salaries	\$36,937	\$37,334	\$35,737	\$35,646	\$37,099	\$36,087	\$35,914	\$36,692
Percent real change	N/A	1.1%	-4.3%	-0.3%	4.1%	-2.7%	-0.5%	2.2%
Average nonfarm proprietors' income (dollars)	\$17,885	\$21,740	\$22,375	\$21,221	\$20,508	\$19,883	\$20,613	\$20,611
Percent real change	N/A	21.6%	2.9%	-5.2%	-3.4%	-3.0%	3.7%	0.0%

Note: All monetary data has been adjusted for 2011 constant dollars using chained CPI.

Sources: U.S. Bureau of Economic Analysis; U.S. Department of Labor.

proprietor employment-dependent county.<sup>20</sup> From 2011 through 2014 decreases in employment occurred due to decreases in both wage and salary employment and proprietors' employment. While wage and salary employment comprised approximately 75 percent of total employment during this four-year period, the percentages of job loss were less than the percentages of total employment loss. In 2015, the percent gain in wage and salary employment (1.2 percent) was slightly more than the Dearborn County overall employment gain (1.1 percent).

Based on information provided by AEP, approximately 81 employees ceased employment in 2015, two by layoff and 79 by separation with severance. Nearly two-thirds of the employees receiving severance payments retired. It is not known whether all 81 affected employees lived in Dearborn County. Assuming the Tanners Creek employees who took severance resided in Dearborn County in the same proportion as all employees at closing, about 57 employees with Dearborn County residences would have been affected. Because there was a total increase of 180 wage and salary jobs from 2014 to 2015 in Dearborn County, at least 237 new wage and salary jobs were created between 2014 and 2015 to account for the job losses at Tanners Creek.

There were greater percentage increases, however, in various income categories. Overall personal income for Dearborn County residents increased to 1.7 percent from 2013 to 2014 but grew by 5 percent from 2014 to 2015. The growth continued in 2016 but was minimal (0.5 percent).

There are three main subcomponents of personal income: (1) net earnings; (2) personal current transfer receipts, and (3) dividends, interest, and rent. Personal current transfer receipts have additional components of interest for this analysis: unemployment insurance compensation; and retirement and other payments. Table 4 excludes income maintenance—a component of personal current transfer receipts—and dividends, interest, and rent payments because these categories were not relevant to the analysis.

Except for unemployment insurance compensation, personal income in all of these subcategories increased significantly from 2014 to 2015, well above the employment increases noted above. Unemployment insurance compensation, surprisingly, dropped significantly in each year of the study period, with the most significant drop, down 50.5 percent, in 2014. This was followed by an additional drop of 19.4 percent in 2015. Severance payments are considered a form of unemployment payment. Thus, while the percentage decrease in unemployment payments in 2015 was less than 2014, total unemployment payments decreased significantly despite the payout of severance payments to approximately 79 employees of Tanners Creek.

Sharp increases in retirement and other payments occurred in 2014 and 2015—7.5 percent and 7.7 percent, respectively. In the other study years, increases were not nearly as substantial. Total retirement and other payments, however, were \$398.4 million in 2016 (unadjusted for inflation), the year after Tanners Creek closed, and far greater than the Tanners Creek estimated total annual payroll of \$7.7 million in 2015.<sup>21</sup> Given the relative size of Tanners Creek payroll to total retirement and other payments (2 percent), it can be inferred that other economic factors were, collectively, greater drivers of these payments at the time of plant closure and beyond.

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<sup>20</sup> For further discussion on this classification, see Goetz, S.J., 2003.

<sup>21</sup> Waitkus, 2015.

Income by place of work—which is income generated in Dearborn County—only showed insignificant impacts with respect to changes in wages and salaries around the time of the Tanners Creek closure. A small decrease of 2.6 percent occurred from 2013 to 2014 was followed by an increase of 5.3 percent from 2014 to 2015. Nonfarm proprietors' income decreased nearly 8 percent from 2013 to 2014, then decreased an additional 2.6 percent in 2015. There was almost no change in 2016 and then increases of 2.8 percent and 2.7 percent in 2017 and 2018, respectively. Local businesses may have been affected by the closure based on these decreases, although the drop in 2014 was more significant than the decrease in 2015.

Other indicators such as wage and salary employment, wages and salaries, average earnings per job, and average wages and salaries, followed a similar pattern to nonfarm proprietors' income, except that the changes were relatively small—2.6 percent or less—in 2014 followed by very small increases in 2015.

This analysis appears to indicate that the closure of the Tanners Creek facility had little impact on employment and income in Dearborn County. Earnings by employees and proprietors located within Dearborn County comprised 58.7 percent of net earnings for all Dearborn County residents.<sup>22</sup> The small workforce at the plant and the limited concentration of earnings in employers operating in the county adds further to the evidence that the Tanners Creek closing had minimal impact.

A final additional factor is Dearborn County's inclusion in the Cincinnati Metropolitan Statistical Area (MSA), and its relatively close location to the city of Cincinnati. The economic activity that occurs in an area that includes a large metropolitan area is likely to hide all but widespread regional economic changes and changes to the largest employers, or widespread regional economic changes. Tanners Creek, with 109 employees affected at closure, would not be large enough to have a substantial impact in an MSA.

This analysis of income and wage data from Dearborn County in the years leading up to and including the closure of Tanners Creek, as well as few years after, does not provide any evidence of a large impact on the local or the regional economy.

## **Local income and property tax effects**

Property taxes and local option income taxes are fundamental fiscal resources for local governments. The research team utilized principally data from the Department of Local Government Finance (DLGF) and the State Budget Agency to analyze the effects of the closure on local property and income tax revenue. Modelling specific tax effects was beyond the scope of the project.

### **Property taxes**

Property taxes are a principal source of local government revenue. The Tanners Creek plant was located within the city limits of Lawrenceburg and within the boundaries of four principal taxing units—Dearborn County, the city of Lawrenceburg, Lawrenceburg Township, and Lawrenceburg Community School Corporation. Each of these taxing units affect taxpayers who live or own businesses (including farms) within its boundaries.

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<sup>22</sup> The difference between earnings and net earnings represents adjustment made by BEA to derive place of residence data; thus, earnings and net earnings data are generally compatible for this purpose.

The revenues available to support local government services are the result of local government decision making within a set of state-mandated processes and limits. These factors include:

- The property tax levy or total amount of property taxes a governmental unit is allowed to raise.
- The assessed value of property that is taxed by the unit.
- The property tax rate—the approved levy divided by the assessed value.
- Property tax rate caps for taxpayers, called circuit breakers.
- The number of overlapping units that impose a property tax levy on each taxpayer.

Table 6 shows the assessed values for I&M/AEP properties that were located within Lawrenceburg (Dearborn County Taxing District 13) for FY 2015–17. These I&M/AEP properties made up a substantial amount of property value for Lawrenceburg Township, the city of Lawrenceburg, and the Lawrenceburg Community School Corporation (Table 7). In 2016, the assessed value for these properties was 28 percent of the net assessed value of the city of Lawrenceburg and 19 percent for Lawrenceburg Township and Lawrenceburg Community School Corporation (Table 8).

The loss of assessed value from the closure of the Tanners Creek plant can be seen in 2017 assessed value data. These I&M/AEP properties lost 45 percent in assessed value between the 2016 and 2017 tax years. In 2017, the closure-related losses in assessed value for the four taxing units were almost completely due to reduced assessed value at Tanners Creek. The city of Lawrenceburg lost 13 percent of its assessed value, 5 percent more than Lawrenceburg Community School Corporation and Lawrenceburg Township (both have the same geographic taxing area) and 11 percent more than Dearborn County.

Dearborn County and Lawrenceburg Township<sup>23</sup> levies increased from 2016 to 2017. The city of Lawrenceburg and the Lawrenceburg Community School Corporation levies decreased by 13 percent and 10 percent, respectively, for the same period. The bulk of these changes for the school corporation were from the debt service levy (Table 9).

The certified property tax rates for each of these units generally increased during this time although only modestly (Table 10). The only exception was the school district in 2017. The property tax rate is calculated by taking a taxing unit's approved levy divided by its assessed value. Decreasing assessed values while holding tax levies constant or increasing them results in an increase in the property tax rate for that unit. Similarly, increasing assessed values while holding tax levies constant or decreasing them will result in a decrease in the property tax rate.

Local governments are subject to property tax circuit breakers—also called property tax caps—that limit the taxes that property owners pay when the sum of the property tax rates for all overlapping taxing units exceed the statutory limits. These tax credits result in revenue losses that are allocated to each taxing unit proportionately based on its levy as a percentage of all total levies imposed by all overlapping units. One exception is debt service payable from property taxes, which does not receive a decrease in property tax revenues so that the debt can always be paid when due. This means the reductions that would be allocated to a debt service fund are instead allocated to all overlapping taxing units proportionately.

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<sup>23</sup> The property tax levy for Lawrenceburg Township was so small (\$76,273 in 2017) that any change in their levy for any reason will likely produce noticeable percentage changes.



**TABLE 6. Net assessed values for I&M/AEP properties in Dearborn County Taxing District 13**

PROPERTY	ASSESS 2014 PAY 2015**	ASSESS 2015 PAY 2016**	ASSESS 2016 PAY 2017**	% CHANGE 2015-16	% CHANGE 2016-17
150131040*	\$73,796,790	\$66,894,140	\$5,236,640	-9%	-92%
150131042*	\$1,160,180	\$2,101,900	\$1,840,030	81%	-12%
150131045*	\$60,201,112	\$73,483,480	\$71,605,210	22%	-3%
Total	\$135,158,082	\$142,479,520	\$78,681,880	5%	-45%

Notes:

\* Property 150131040 likely is the Tanners Creek Generating Station. Property 150131045 likely is the Lawrenceburg Generating Station that also was owned by AEP during this period, and the remaining property, 150131042, likely is transmission infrastructure.

\*\* Property taxes imposed on Indiana taxpayers and received as revenue by local governments occur in the year following the year in which the property's value is determined. For example, property tax payments to be paid in 2017 are based on property values determined in 2016 by county assessing officials.

Sources: Department of Local Government Finance (DLGF).

**TABLE 7. Net assessed values by budget year for selected taxing units**

LOCAL GOVERNMENT	FY 2015	FY 2016	FY 2017	% CHANGE 2015-16	% CHANGE 2016-17
Dearborn County	\$2,175,464,153	\$2,142,441,883	\$2,102,035,267	-2%	-2%
Lawrenceburg Township	\$764,951,447	\$747,684,268	\$687,059,716	-2%	-8%
City of Lawrenceburg	\$518,533,835	\$504,167,252	\$438,690,188	-3%	-13%
Lawrenceburg Community School Corporation	\$764,951,447	\$747,684,268	\$687,059,716	-2%	-8%

Source: DLGF (as reported on the Indiana Gateway for Government Units).

**TABLE 8. Assessed values for I&M/AEP properties as a share of assessed value by budget year for selected taxing units**

LOCAL GOVERNMENT	FY 2015	FY 2016	FY 2017	% CHANGE 2015-16	% CHANGE 2016-17
Dearborn County	6%	7%	4%	17%	-43%
Lawrenceburg Township	18%	19%	11%	6%	-42%
City of Lawrenceburg	26%	28%	18%	8%	-36%
Lawrenceburg Community School Corporation	18%	19%	11%	6%	-42%

Source: DLGF (as reported, in part, on the Indiana Gateway for Government Units).

**TABLE 9. Certified property tax levies by budget year for selected taxing units**

LOCAL GOVERNMENT	FY 2015	FY 2016	FY 2017	% CHANGE 2015–16	% CHANGE 2016–17
Dearborn County	\$9,648,183	\$9,885,227	\$10,245,321	2%	4%
Lawrenceburg Township	\$71,517	\$73,665	\$76,273	3%	4%
City of Lawrenceburg	\$5,375,121	\$5,374,927	\$4,669,249	0%	-13%
Lawrenceburg Community School Corporation	\$5,226,149	\$6,027,083	\$5,415,405	15%	-10%

Source: DLGF (as reported on the Indiana Gateway for Government Units).

**TABLE 10. Certified property tax rates by budget year for selected taxing units**

LOCAL GOVERNMENT	FY 2015	FY 2016	FY 2017	% CHANGE 2015–16	% CHANGE 2016–17
Dearborn County	0.4435	0.4614	0.4874	4%	6%
Lawrenceburg Township	0.0511	0.0528	0.0546	3%	3%
City of Lawrenceburg	1.0366	1.0661	1.0712	3%	< 0.5%
Lawrenceburg Community School Corporation	0.6832	0.8061	0.7882	18%	-2%

Source: DLGF (as reported on the Indiana Gateway for Government Units).

**TABLE 11. Circuit breaker credits by budget year for selected taxing units**

LOCAL GOVERNMENT	FY 2015	FY 2016	FY 2017	% CHANGE 2015–16	% CHANGE 2016–17
Dearborn County	\$201,516	\$261,142	\$329,771	30%	26%
Lawrenceburg Township	\$1,483	\$2,062	\$2,442	39%	18%
City of Lawrenceburg	\$77,390	\$127,639	\$136,768	65%	7%
Lawrenceburg Community School Corporation	\$191,218	\$296,818	\$305,524	55%	3%

Source: DLGF, Circuit breaker credit reports, 2015–17.

The Tanners Creek plant closure may have had a small effect on circuit breaker credits. Circuit breaker credits totaled about 2 percent, 3 percent, and 4 percent, in 2015, 2016, and 2017, respectively. These credits, however, appear to be the result of the combination of: (1) significant increases in the Lawrenceburg Community School Corporation debt service levy in 2016, (2) loss of assessed value from the plant, and (3) a 4 percent increase in Dearborn County's property tax levy in 2017. Dearborn County's property tax levy comprised 50 percent of the total levies for the four overlapping taxing units. Given that both the city of

Lawrenceburg and the Lawrenceburg Community School Corporation reduced their property tax levies by a percentage that was at least equal to or greater than their respective percentage decreases in assessed value, changes in circuit breaker credits are likely to be principally the result of increases in Dearborn County's property tax levy.

The property tax effects of the Tanners Creek plant closure on local governments appear to be limited. The city of Lawrenceburg suffered the most substantial negative impact. It appears that the city reduced its tax levy in 2017 in response to the loss of assessed value (Table 9) and also utilized \$423,550 in its Rainy Day fund to mitigate the effect on revenue. In 2017, the city reduced its property tax levy by 13 percent, the same amount of reduction in its assessed value. The corresponding change in the property tax rate was an increase of less one-half percent, essentially the same tax rate (Table 10).

The Lawrenceburg Community School Corporation also reduced its tax levy in 2017. It should be noted that 76 percent of the reduction in the school corporation's levy was from debt service—\$462,640 of the \$611,678 total reduction in the levy. It is not known, however, whether this debt service fund reduction was due to scheduled decreases in debt service, other actions to reduce debt service, or if the debt service decrease was specifically related to the Tanners Creek closure.

### Local income taxes

Table 12 shows the certified local option income tax rates and certified distributions for Dearborn County. The tax rate was consistent during these years and distributions increased consistently over time (in nominal dollars). In the aggregate, the closure does not seem to have affected local option income taxes, which appears to be supported by the personal income and employment data discussed above.

**TABLE 12. Dearborn County local option income tax rates and certified distributions**

YEAR	RATE	CERTIFIED DISTRIBUTIONS	% CHANGE IN DISTRIBUTIONS
2015	.6000%	\$6,763,542	N/A
2016	.6000%	\$6,955,219	3%
2017	.6000%	\$7,545,230	8%
2018	.6000%	\$7,595,354	1%

Source: Indiana State Budget Agency, Annual certification calculations.

### Post-closure cleanup and redevelopment

In fall 2016, Commercial Development Company, Inc., a commercial real estate and brownfield redevelopment firm, purchased the plant and surrounding real estate. Environmental Liability Transfer, Inc., an affiliate of Commercial Development Company, assumed responsibility for the environmental liabilities on the site. In October 2017, Commercial Development Company (also referred to as Tanners Creek Development, Inc.) entered into an initial agreement with the Ports of Indiana for the transfer of the property in December 2018.

The Ports of Indiana had exclusive rights to investigate the site for use as a fourth inland port.<sup>24</sup> The option on the property was extended for multiple six-month periods.<sup>25</sup> Ports of Indiana conducted an evaluation to determine the site’s suitability as a port. In September 2020, Governor Eric Holcomb announced that the state would not purchase the property, citing the extensive remediation needed as the principal reason for the decision.<sup>26</sup>

Many local stakeholders worked for several years to attract the Ports of Indiana to develop the Tanners Creek site as a port. They expressed frustration about the announcement that the purchase was canceled. They are now focused on retooling their redevelopment efforts, including those to hasten the cleanup and to identify and market the location for additional potential uses.

## Stakeholder input

The research team interviewed representatives from local and regional government and economic development organizations for local perspectives on the economic, tax, and social impacts, local responses, and any remaining challenges. The interviews were conducted in October and November 2020. Table 13 shows the stakeholders who provided input. Because the closure was five years ago, the table includes both current and past positions. Figure 3 shows the interview questions.

**TABLE 13. Local and regional stakeholders—Tanners Creek Generating Station**

NAME	TITLE	ORGANIZATION
Kelly Moullan	Mayor	City of Lawrenceburg
Guinevere Emory	Communications Director (formerly City Manager for Aurora)	City of Lawrenceburg
Mike Perleberg	Executive Director (formerly a reporter at Eagle Country 99.3)	One Dearborn, Inc.
Susan Craig	Executive Director	Southeastern Indiana Regional Plan Commission
Kurt Kegerreis	Executive Director	Southeast Indiana Workforce Investment Board (Region 9)
Jennifer Montgomery	Former WorkOne Manager and family member of a Tanners Creek employee	WorkOne Southeast (Region 9) (still employed by the Indiana Department of Workforce Development)
Steve Renihan	Board member	Lawrenceburg Main Street, Inc.

## Significance of the impacts of closure

Stakeholders generally agreed that the impact of the closure was very negative, though one stakeholder identified a few positive impacts as well. The specific positive and negative impacts shared by stakeholders are shown below.

- Positive impacts
  - Improved air quality.

24 Commercial Development, Inc., 2017.

25 Office of the Governor, 2019.

26 Ports of Indiana, 2020.

### **FIGURE 3. Stakeholder interview questions—Tanners Creek Generating Station**

1. As background, what relevant public or nonprofit roles have you held since 2015?
2. How much notice did Indiana Michigan Power/AEP give the community that the plant was closing?
3. Looking back, how significant do you think the impacts of the closure has been on your community?
4. What effects of the closure did you observe in your community?
  - How did the closure affect individuals personally?
  - How did the closure affect the local economy?
  - How did the closure affect local taxes?
5. What efforts did your organization or other [nonprofit, private, public] sector organizations take to relieve these impacts?
6. Overall, how effectively were community efforts in addressing any challenges?
7. What challenges remain?
8. Is there any information that you wish the community had or had sooner?

- o Opportunity for jobs.
- o Opportunity to redevelop the site, possibly as a cleaner industrial use.
- Negative impacts
  - o Loss of jobs with good benefits and wages affects those individuals and families, as well as to the community.
  - o Loss of business for firms that serve the plant.
  - o Lost revenue to local businesses that serve the employees.
  - o The environmental impact of fly ash that is stored on the site, in both lined and unlined ponds. These ponds are near drinking water wellheads for the city of Aurora and the LMS Conservancy District. There are concerns about the cleanup, leaving the contamination in place, and who will be responsible to report and mitigate any off-site contamination.
  - o Environmental cleanup takes a long time. There are concerns about 700 acres being dormant economically and susceptible to becoming blighted.

### **Effects in the community—individuals**

Stakeholders described a number of challenges that displaced employees and their families faced, such as:

- Closure and job loss were a shock for many. It feels like a death for some.
- Loss of jobs with good benefits and wages affects those individuals and families, as well as to the community.
- Displaced employees were faced with relocating or commuting. Some families didn't have the flexibility to do either.
- Some employees took jobs at other locations within the company.

- At least one family was disrupted when one parent stayed local and the other relocated for a job at the Rockport plant.
- Some former employees reported still struggling in 2020.
- It is hard to replace the wages and benefits outside AEP. One stakeholder suggested that there aren't comparable jobs in the southeast Indiana region, but there may be some in Cincinnati or in northern Kentucky areas.

### **Effects on the community—economy**

Stakeholders identified several economic effects beyond those on the employees and their households, including:

- Loss of business for firms that serve the plant.
- Lost revenue to local businesses that serve the employees.
- Communities do not always think about the ripple effects.
- Environmental cleanup takes a long time. Worried about 700 acres being dormant economically and susceptible to becoming blighted.

### **Effects on the community—taxes**

Stakeholders agreed that the closure resulted in a substantial loss of assessed value and challenges for local government revenues.

### **Local efforts to relieve impacts**

Stakeholders identified extensive efforts to address the impacts of the closure.

- Efforts to attract a state port
  - o A lot of work was done locally over several years to attract the Ports of Indiana to develop the site as a port.
  - o The Southeast Indiana Regional Port Authority engaged with the Ports of Indiana and has a potential role to play in the future.<sup>27,28,29</sup>
  - o Now that the Ports of Indiana has declined buying and redeveloping the site, local stakeholders are retooling their redevelopment efforts. They are working to hasten the clean-up of the site and considering other potential uses—other industrial uses, a park, housing, or retail business.
  - o The community is regrouping and considering innovative approaches. There are a lot of possibilities that could be good for the economy and the environment.
- Workforce development
  - o WorkOne and the Southeastern Indiana Workforce Investment Board began engaging with employees formally with the WARN notice issued in March 2015. WorkOne staff visited the plant many times.

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<sup>27</sup> The Southwest Indiana Regional Port Authority (SIRPA) was formed on December 20, 2013 using IC 8-10-5. The authority was originally a joint effort between the cities of Lawrenceburg and Aurora. Dearborn County and the city of Greendale joined later. In mid-2014, SIRPA received a \$665,000 grant from the city of Lawrenceburg to fund the first two years of operations. While the port authority has an interest in the development of a port on the Tanners Creek property, it is technically outside SIRPA's current jurisdiction.

<sup>28</sup> Register Publications, n.d.

<sup>29</sup> Perleberg, M., 2016.

- o Many employees did not use WorkOne services at the time. In some cases, they used them later.
  - o The staff also provided unemployment information to employees.
- One Dearborn, Inc. does broad work on business attraction and retention in the community. In late 2018, they published *One Dearborn County: Regional economic development action plan*. The plan identified the development of the Tanners Creek site as a port, as a Tier 1—Top countywide priority project, and recommended the development of a port economic development plan.<sup>30</sup>
- The Southeastern Indiana Regional Plan Commission (SIRPC) serves the nine counties in Region 11, including Dearborn County. SIRPC also serve as the regional Economic Development District. SIRPC published the most recent Comprehensive Economic Development Strategy (CEDS) in 2015. There was no mention about the Tanners Creek closure that was expected/occurred that year. Mining was identified as a mature cluster, and renewable energy was identified as an emerging cluster. The plan identified that there was no active port in the region. SIRPC currently is updating the regional CEDS.<sup>31</sup>
- Local chambers of commerce and Main Street organizations' activities also helped to mitigate local effects.

### **Remaining challenges**

Stakeholders identified several outstanding challenges, particularly around redevelopment of the Tanners Creek site:

- Environmental cleanup of the fly ash has been too slow. AEP does not seem to be in a hurry.
- Need more continued support and assistance from AEP for reinvestment. Only about 100 of the 700 acres are buildable currently.
- Replacing tax base and jobs.
- Improving local communication among local entities, more synergies possible.
- Finding a large-scale redevelopment opportunity that will bring value to the community.
- Now that the port has fallen through, it will take time to develop another opportunity.

### **Missing information**

Similar to the stakeholders in other regions that are currently facing plant closures, stakeholders wanted and still want more information from AEP.

- Needed improved communications from AEP before, during, and after closure.
- If the Lawrenceburg office manager had not had a familial connection to the plant, WorkOne would have needed more information from AEP about plans for the disposition of employees and their training needs.

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<sup>30</sup> Whitesell, C., Hamm, C., & Ludwig, R., 2018.

<sup>31</sup> Southeastern Indiana Regional Planning Commission, 2015.

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