



# WEST VIRGINIA

## DEVELOPMENT OFFICE



# WEST VIRGINIA'S SHALE VALUE PROPOSITION

- Tri-state region has a rich history as a chemical manufacturing hub
  - Kanawha Valley was home to the nation's first small scale ethane cracker (1920's)
- Muscle memory with workforce spanning back to Union Carbide days
- Collaborative approach of companies in the region, spanning borders
  - Bayer/Covestro, Marathon, MarkWest, EQT and more
- Institutional knowledge has been retained within the region
  - Mid-Atlantic Technology Research and Innovation Center (MATRIC)
  - Chemical Alliance Zone (CAZ)
  - Tri-State Shale Coalition

# ATTRACTIVE STATS FOR INDUSTRY INVESTMENT



**\$5 billion**

Business investment  
since 2017

WVDO RESEARCH DIVISION, 2019



**1st**

Overall Economic  
Growth (GDP)

GOBANKING RATES, 2019



**1st**

Lowest Turnover  
Rate,  
Manufacturing

BLS INDUSTRY REPORT, 2018



**1st**

Lowest Rates,  
Workers Comp

OREGON CONSUMER AND  
BUSINESS SERVICES, 2018

# ATTRACTIVE STATS FOR INDUSTRY INVESTMENT



**11th**  
Best States,  
Cost of Doing  
Business

CNBC STATE BUSINESS REPORT,  
2018



**\$720**  
million  
Rainy Day Fund

WV BUDGET, 2018



  
Right-to-Work  
State

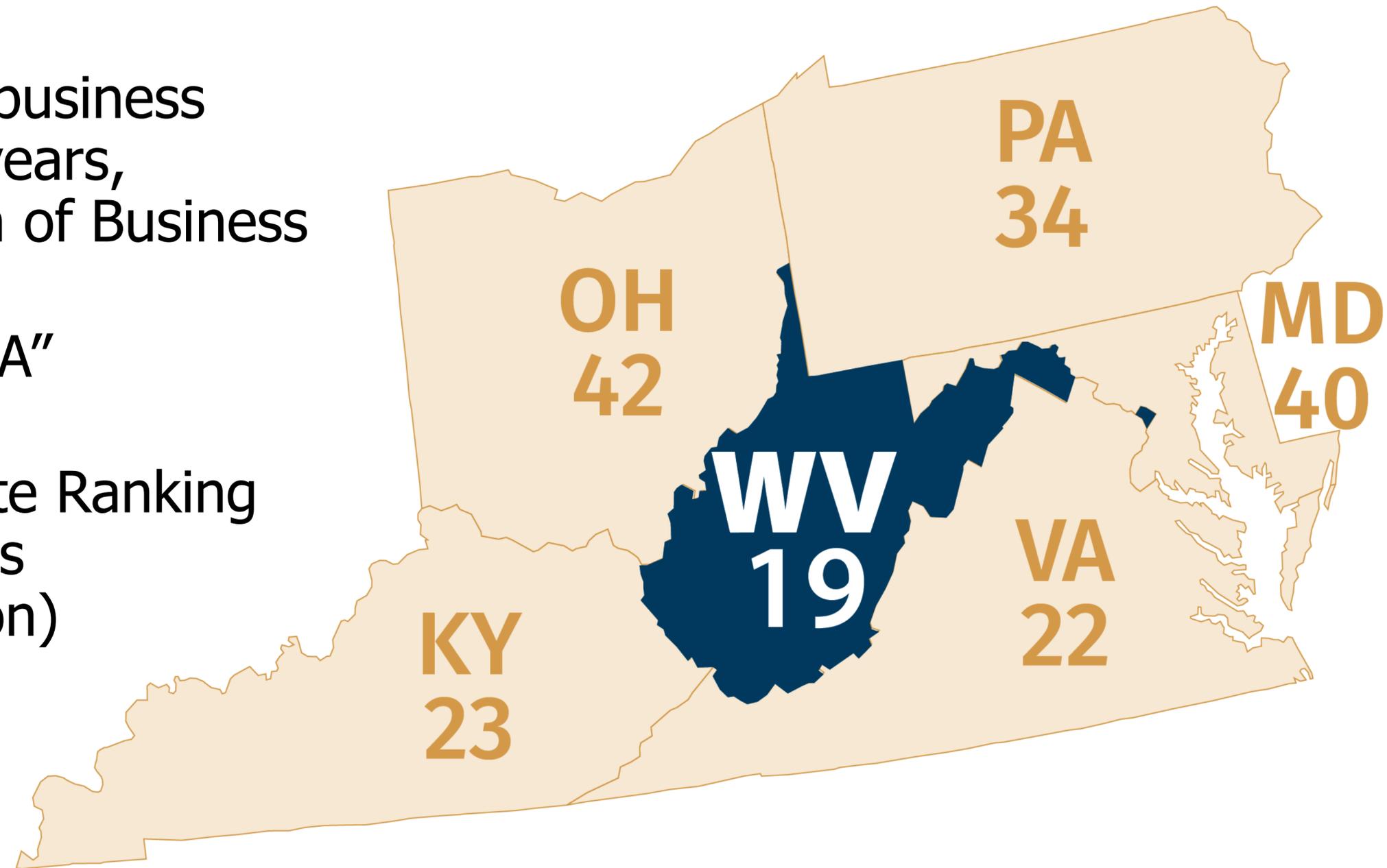
PENDING LEGAL PROCEEDING



  
Business  
Franchise Tax

# IMPROVED BUSINESS TAX CLIMATE

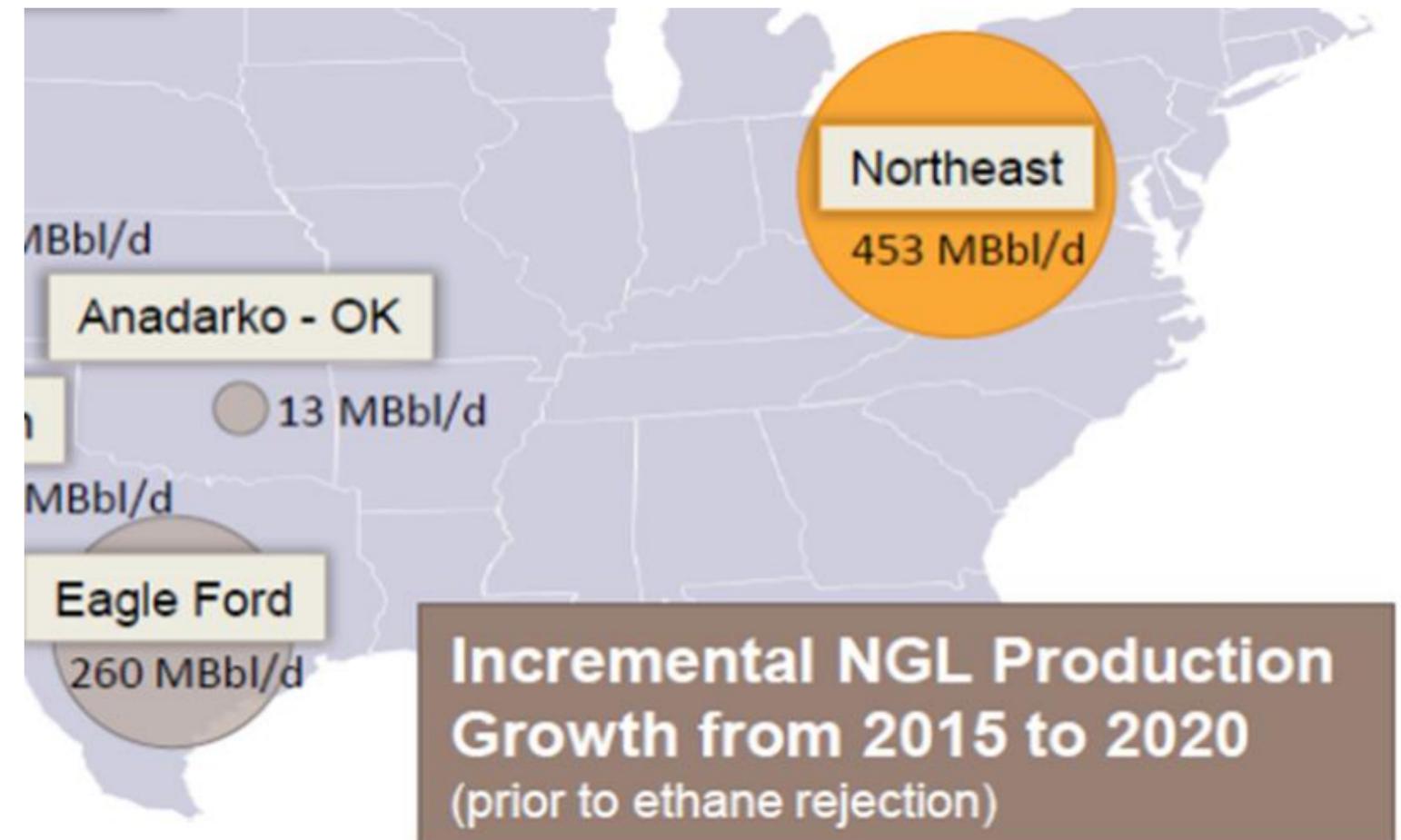
- Major reductions in business taxes over past six years, including elimination of Business Franchise Tax
- Fiscal policies earn "A" from Cato Institute
- Best Business Climate Ranking of surrounding states (2018 Tax Foundation)





# UPSTREAM ADVANTAGE

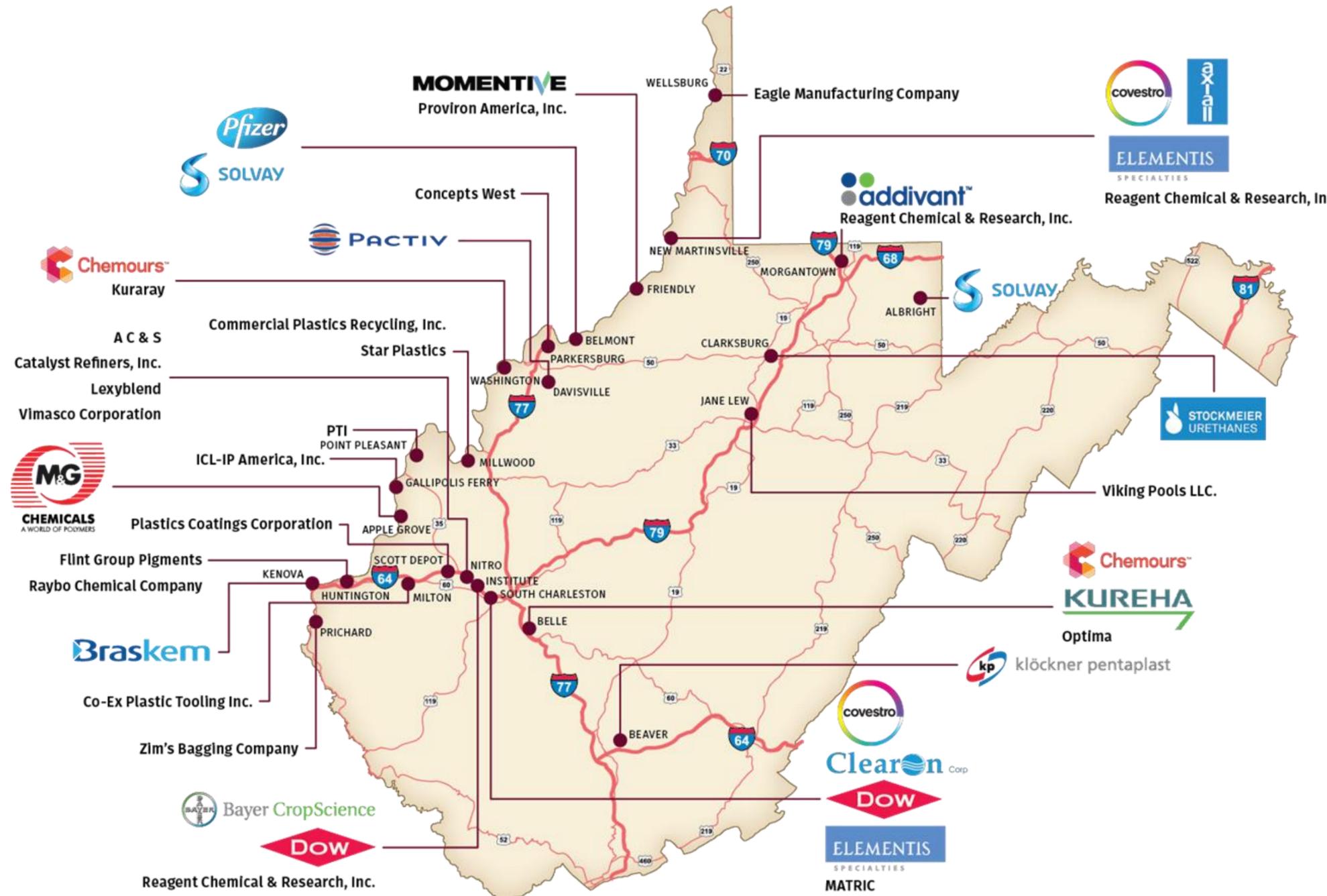
- The Tri-State region (Marcellus/Utica region) is becoming the 3rd largest gas basin in the world.
- Portions of both the Marcellus and Utica are rich in wet gas.
- Contrasted to other U.S. regions, Tri-State region is industry-supportive and industry-friendly.
- Virtually no risk of drilling restrictions.
- Tri-State region will produce nearly 25% of the country's NGLs by 2020



# MIDSTREAM INVESTMENT

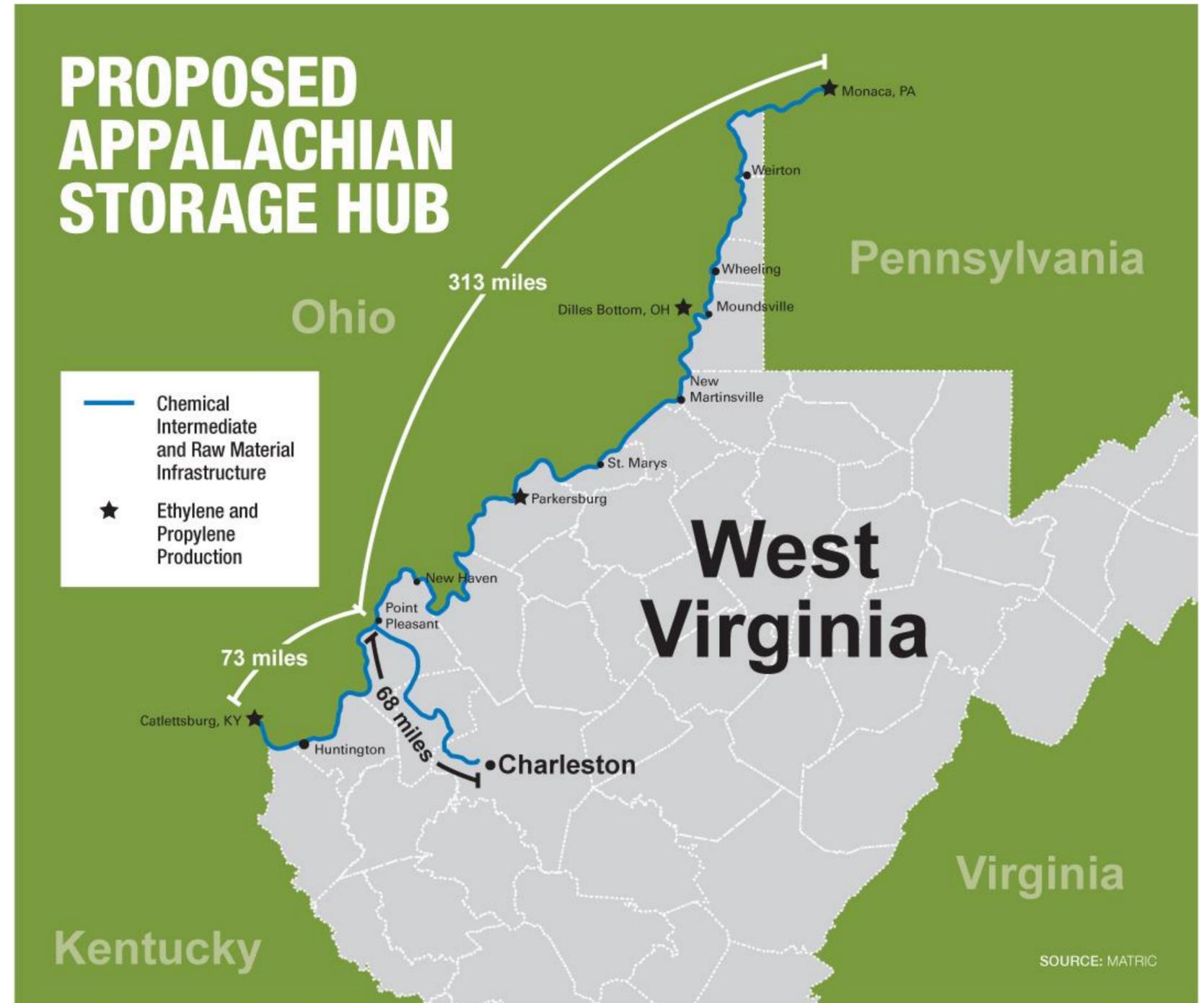
- Large players in the Tri-State region include MarkWest, Antero, Blue Racer, Williams and Crestwood
- For both MarkWest and Antero, gathering and separation infrastructure in this region has surpassed the billion-dollar mark
- Availability of liquids projected to grow, especially ethane
- Infrastructure has become heavily established in north-central WV, northern panhandle WV, eastern Ohio and southwestern Penn.
- This gives downstream operators fair-to-good access to feedstocks
- A key to future success will be availability of long-term feedstock contracts.

# GLOBAL CHEMICAL AND MANUFACTURING HUB



# ADDRESSING SUPPLY

- **Short term:** Virtual storage options
- **Mid-term:** *Mountaineer NGL Storage:* sufficient ethane for up to 3 regional crackers.
- **Long term:** Appalachian Storage Hub concept. We are making significant progress towards this endeavor, in terms of both underwriting and locations.





West Virginia Development Office  
State Capitol Complex

1900 Kanawha Boulevard East  
Building 3, Suite 600  
Charleston, WV 25305

(304) 558-2234

[westvirginia.gov](http://westvirginia.gov)