

Adapting to Shale-Based Development Through a Countywide Approach: Lessons Learned from Jefferson County, Ohio

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Introduction

This fact sheet shares lessons learned from the planning efforts undertaken within Jefferson County, Ohio, between fall 2011 and summer 2012 and provides recommendations to county governments and other local leaders experiencing, or soon to experience, the early stages of oil and gas development in the Marcellus and Utica/Point Pleasant Shale plays in Ohio. The research is based on interviews conducted in spring 2012 with Jefferson County residents, including elected county, city and township officials, local government agency representatives, business and community leaders and citizens at large, in addition to an analysis of over 60 documents related to oil and gas development and planning initiatives within the county. In late 2009 the first horizontal well permits in the county were approved, and drilling activities began in fall 2011. This research finds that efforts undertaken by community leaders to engage in strategic planning during the early stages of shale development can have an impact on a community's readiness and its ability to diversify the positive impacts of the anticipated "boom" of oil and gas development and mitigate the potential for future "busts" within their communities.

This fact sheet is best used in conjunction with the Ohio State University Extension fact sheet titled, *Natural Gas Drilling: Questions Residents and Local Leaders Should Be Asking* available at ohioline.osu.edu/cd-fact/pdf/1282.pdf; based on research conducted by Penn State University, it addresses the impact oil and gas development is likely to have on a variety of public and private sectors, such as housing, emergency services, population migration, schools and education, workforce development, finance, landowner considerations, local

businesses, roads and infrastructure, wildlife and forests, water quality and quantity and other public service and pollution-related issues. It also suggests some of the key steps community leaders should take in addressing those issues.

Adapting to Oil and Gas Development in Jefferson County

Jefferson County lies over at least two different shale plays with the potential to be developed for oil and natural gas: the Marcellus Shale and the Utica/Point Pleasant Shale. The county began to experience the early signs of shale-based oil and gas development in 2009, and in July of that same year the Ohio Department of Natural Resources (ODNR) approved the first horizontal well permit. Permit applications slowed temporarily in 2010, followed by a significant increase in activity in summer 2011. Drilling activity began in the latter half of 2011.

As industry activity increased over the summer of 2011, the Board of County Commissioners met in the fall to discuss the formation of an advisory committee to steer community planning around the oil and gas development occurring in the county. From the beginning, it was evident to the commissioners that local governments had little direct control over drilling operations from a regulatory or zoning standpoint. However, they believed that community leaders could and should take action to manage other indirect impacts, both positive and negative, that were likely to result from the increased drilling activity in their county. The commissioners benefited from a variety of proactive community leaders and government officials who took the initiative to learn from the impacts increased drilling was having in neighboring Pennsylvania. These local leaders encouraged



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the commissioners to start forming a countywide task force. While some argued that they could have started planning sooner, respondents suggested that this wasn't necessarily due to lack of foresight among the commissioners, but in the words of one committee member, "*this county had every intention of being prepared. It (shale oil and gas development) just happens really fast once it starts.*" Overall, residents commented on the Board of Commissioners "stepping up" to meet the challenges facing them in light of this development.

The commissioners sought to form a committee that would guide them in learning about the industry and help draw their attention to the important issues within the community. To identify who would serve on this committee, the three commissioners appointed five representatives (including one citizen at large) in an area of the community (such as education) where shale would have an impact and where that commissioner had the most knowledge. For example, the commissioner with the greatest awareness of educational issues would select the "Education" representative.

In an effort to attain broad and genuine *community* representation, the commissioners appointed 15 members to the Jefferson County Oil and Gas Committee, representing the following community areas: real estate, environment, emergency services, hotel and lodging, professional services, the oil and gas industry, workforce development, education, hospitals and infrastructure. These representatives came from a range of backgrounds and experiences, including local businesses, government and the non-profit sector. The local political entities within the county, municipalities and townships were represented and three citizen at large representatives were appointed.

In addition, the commissioners sought out secondary leaders who would serve as support resources to the committee as these individuals were likely to work on these issues on a day-to-day basis and had skills in grant-writing and other critical support areas. This group included leaders of the major planning bodies in the county such as the Chamber of Commerce, Progress Alliance (private/public economic development organization), the Regional Planning Commission and the County Engineer, as well as representatives from the county Job and Family Services, the Water and Sewer Department, 911 Call Center, Community Action Council, and Educational Services Center.

The county commissioners discussed the importance of having positive working relationships with the representatives and support officers prior to forming the committee. While financial resources to support group activities would come later, initial work required positive working relationships and a broad, general concern for

the well-being of the community to get the group off the ground. It also required working additional hours. One thing made clear by the representatives was that oil and gas is a "*game changer*" and would require the adoption of an increased workload if the community leaders wanted to see development handled properly. For more information on forming shale development task forces, visit Penn State University Extension's fact sheet titled, *Building an Effective Community Task Force: Addressing Natural Gas Exploration and Development in Your Community* available at pubs.cas.psu.edu/FreePubs/pdfs/ee0015.pdf.

The process of countywide dialogue, partnership-building and hard work has translated to grant dollars for Jefferson County. Strategic planning activities identified two gaps the county and its partners would need to address: communication and education. The Jefferson County Oil and Gas Committee became aware of and applied for a feasibility study grant through the Ohio Department of Development's Local Government Innovation Fund. The Jefferson County Board of Commissioners (backed by 55 public and private entities in the county) were awarded \$49,900 in June 2012 to build a website to connect the network of 55-plus entities, to build upon common goals and identify opportunities for cost savings.

Investments in communication now to manage impacts from oil and gas development can pay dividends in the future to address other emerging issues: "*The context and process remain constant; only the content changes. Today it is gas and oil. Tomorrow it may be purchasing fuel, tires or whatever.*"

Based on the experiences of the Jefferson County Oil and Gas Committee, we have identified 11 Lessons Learned to help guide other community leaders faced with changes associated with rapid growth in the oil and gas industry.

Lessons Learned

Lesson 1: Identify the key organizations, plans, meetings and events or other networks that exist in the community to link business leaders, elected officials, public agencies, community groups and citizens. If shale development is anticipated to occur in, or around, the community then think about those leaders who are best qualified to represent different facets of the community and who will work to serve the common good of the community. It is critical to know what meetings or events these leaders attend or what resources they draw upon to engage in community planning and to help inform their decisions, as this can be a strong foundation to begin discussing shale impacts.

Lesson 2: Start building oil and gas development impacts into land use, economic development and other plans or comprehensive documents. Oil and gas development is just one of the various economic activities affecting local land use issues, but it has the potential to affect all areas. If the community currently relies on a plan to guide future development, then make sure it is updated to include the community's idea of what shale might do to alter (positively and negatively) this course.

Lesson 3: It's never too late to start partnering and planning around shale. Regulation of the oil and gas industry is administered primarily by the state-level Ohio Department of Natural Resources and is very limited at the local level. Local leaders can manage the potential impacts of shale development by forming committees and creating plans that reflect local viewpoints, strengths, weaknesses and visions of the future, which can impact the way industry does business within the community. While local leaders cannot regulate or zone industry activities, they can work with them to impact job hiring, local business practices and partnerships. Community oil and gas committees can utilize the knowledge base held by industry representatives early (see Lesson 5 below) to help fill in the knowledge gaps held by local officials and residents who may be less familiar with the nature of shale oil and gas development. Communication with industry representatives should happen early in the planning process.

Lesson 4: Seek broad representation from the business, non-profit and public sectors, as well as citizens. Committee members should understand that service on the committee might require additional work hours on a volunteer basis, as well as have a personal stake in the future of the community.

Lesson 5: Industry moves quickly and with much experience; communities in Ohio are likely to lag behind. Given the rapid nature of shale development, it is possible that some communities have a very short timeframe to prepare for the shale development boom. As one county commissioner said in regard to the gaps in knowledge and experience between the oil and gas industry and the residents of Jefferson County, "*the industry is a Ferrari, and we're in a 1980 Ford F-150.*" Let local community leaders and citizens at large help inform the important questions to be asking and the right kind of information to be pursuing in regard to this complex industry. Work to build a collective voice among community leaders. Use this collective voice to build a dialogue with the industry.

Lesson 6: Be realistic in determining what areas can be impacted and what it will cost to do so. Use community representatives. Call colleagues in other parts of Ohio or other states already experiencing shale-based

development. Read the *Natural Gas Drilling: Questions Residents and Local Leaders Should Be Asking* fact sheet and other resources to identify the areas this development is likely to impact and what issues it might create in the community. Determine which of those issues the community can have an impact on. Ask the question, "*what can one do as a planning body to affect oil and gas development in their community without expending too many resources?*" Building communication lines between the public, the industry and the government and educating one another are two significant areas communities can impact.

Lesson 7: Oil and gas development should be an integral part of any ongoing community planning efforts. This includes focusing on the pre-existing assets and long-term vision for the community. Jefferson County engaged rural residents by hosting public meetings in the rural townships as part of their land-use plans.

Lesson 8: Attempt to communicate to the oil and gas industry with one representative voice whenever possible. Try to make this inclusive of both business and general citizen interest. This isn't always easy, as at times, business and citizen interests don't always align. However, communicating in advance, taking the time to listen and taking the extra steps necessary to build trust with one another will improve the outlook for development in the community into the future.

Lesson 9: Don't neglect the range of circumstances facing rural residents and the importance of citizen involvement. Try to find and partner with agencies or individuals who have strong, positive relationships with rural landowners in the community. Rural landowners will provide information on the critical issues they face, but these issues might not be as visible in urban areas. In addition, rural landowners and farmers will differ in whether they possess mineral and surface rights under and around their property, and they can vary greatly in the lease agreements they contract into. This variation is important to consider in advance because it can lead to tension and conflict down the road as some rural residents gain financial benefits and others do not while living alongside the negative impacts of shale drilling (for example, increased heavy truck traffic).

Lesson 10: The oil and gas industry is subject to global prices and supply and demand, not local governments. Remember, when the industry moves on, in whatever time frame that may be, public officials are still accountable to their citizens.

Lesson 11: Strategic planning can translate into grant dollars. Jefferson County received a grant award from the Ohio Department of Development of nearly \$50,000 in summer 2012 to improve communications and education in the county. The county's application was successful, in part, due to years of effort by local

businesses, elected officials and community leaders to develop community-wide collaboration and ensure broad representation in planning efforts. These efforts culminated in a unified framework in the early stages of shale development, which continues to evolve through the creation of a land-use plan that incorporates shale as one component. As the oil and gas industry expands into their region, this collective voice makes for a more efficient government and is attractive to donors.

Summary

While local governments are limited in the regulatory positions they can take to control or manage shale-based oil and gas development, they do have the ability to prepare for and manage many of the likely impacts of this booming industry, while avoiding the pitfalls of the potential “bust.” Jefferson County has taken several important steps to manage the impacts of shale gas

and oil development. Other communities can learn from the example set by the leadership in Jefferson County. In addition, if you would like more information on community planning and meeting facilitation please contact Joe Campbell of The Ohio State University School of Environment and Natural Resources at (614) 688-8477 or campbell.844@osu.edu.

Resources

Ohio Department of Natural Resources. “Marcellus and Utica Shales Data.” 2012. Accessed online May 1, 2013, dnr.state.oh.us/tabid/23014/default.aspx

Jefferson County Board of Commissioners. “Project UNITE: Using Networking Initiatives To Excel.” Feasibility Study Grant submitted to the Ohio Department of Development Local Government Innovation Fund, 2012.

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