

## IN Pushes Ahead With Fertilizer Plant

The Associated Press

MOUNT VERNON, Ind. (AP) — The Pakistan-based developers of a fertilizer plant have won a southwestern Indiana county's initial approval for the project, weeks after the state [pulled its support](#) [1].

Posey County's Board of Commissioners and Council voted last week to give preliminary approval to Midwest Fertilizer Corp. for its proposed plant, including a \$1.3 billion bond issue to help finance the project in the county just west of Evansville. That step was needed because construction won't start before the deadline for the original financing pulled by the state, said John Taylor, executive director of the Posey County Economic Development Partnership.

"The company's not prepared to start construction. They're waiting on air permits and some other things," he told the Evansville Courier & Press (<http://bit.ly/13dbgc3> [2]).

Taylor said the reissued bonds will have a six-month maturity period and will be sold to investors between now and July 1. As was the case with the state-issued bonds, the Posey County Economic Development Commission will be a conduit issuer of the bonds.

County officials are stepping into the same role the state once held when the bonds were originally issued in December by the Indiana Finance Authority to help pay for the project.

Those bonds had a six-month maturity period, after which they were sold to investors and the proceeds put into an escrow account. The idea was that by the time the bonds matured, the plant's developers would be ready to proceed with construction and would receive the bond funding from the escrow account.

But the state funding hit a roadblock in January, when Gov. Mike Pence learned that U.S. military officials were concerned that fertilizer made by Pakistan-based Fatima Group — Midwest Fertilizer Corp.'s owner — was making its way into explosive devices in Afghanistan that have killed American troops.

Pence suspended the state's role in the project, saying his office needed to evaluate the situation.

Since that time, Fatima Group has made several changes to its supply chain and is now working on a new less-explosive fertilizer formula. Lt. Gen. Michael Barbero, a U.S. military commander, last month described Fatima's efforts as "big steps" toward improving product safety.

Those assurances were insufficient for Pence, who announced May 17 that he was

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withdrawing the state's offer of incentives.

Because Midwest Fertilizer Corp. was unable to meet the July 1 deadline for the original bonds' maturity, Posey County officials stepped up to reissue the bonds.

The Posey County Economic Development Commission will have a public hearing on the proposed bond issuance later this month.

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### **Links:**

[1] <http://www.impomag.com/news/2013/05/withdraws-support-fertilizer-plant>

[2] <http://bit.ly/13dbgc3>