



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 18, 2018

Randal O'Brien
Superintendent
Goose Creek Consolidated Independent School District
4544 Interstate 10 East
Baytown, Texas 77521

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Goose Creek Consolidated Independent School District and Exxon Mobil Corporation, Application 1275

Dear Superintendent O'Brien:

On September 10, 2018, the Comptroller issued written notice that Exxon Mobil Corporation (applicant) submitted a completed application (Application 1275) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 4, 2018, to the Goose Creek Consolidated Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1275.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of September 10, 2018, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Exxon Mobil Corporation (project) applying to Goose Creek Consolidated Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Exxon Mobil Corporation.

Applicant	Exxon Mobil Corporation
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Goose Creek CISD
2017-2018 Average Daily Attendance	22,310
County	Harris
Proposed Total Investment in District	\$1,872,000,000
Proposed Qualified Investment	\$1,872,000,000
Limitation Amount	\$100,000,000
Qualifying Time Period (Full Years)	2022-2023
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,210.97
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,273.50
Minimum annual wage committed to by applicant for qualified jobs	\$66,222.20
Minimum weekly wage required for non-qualifying jobs	\$1,331.50
Minimum annual wage required for non-qualifying jobs	\$69,238
Investment per Qualifying Job	\$74,880,000
Estimated M&O levy without any limit (15 years)	\$118,395,613
Estimated M&O levy with Limitation (15 years)	\$50,936,395
Estimated gross M&O tax benefit (15 years)	\$67,459,218

Table 2 is the estimated statewide economic impact of Exxon Mobil Corporation (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	0	2,465	2,465	\$0	\$181,960,000	\$181,960,000
2019	0	3,765	3765.43	\$0	\$296,220,000	\$296,220,000
2020	0	232	232	\$0	\$43,150,000	\$43,150,000
2021	1600	3,385	4985	\$174,400,000	\$357,560,000	\$531,960,000
2022	1700	3,772	5472	\$204,000,000	\$426,160,000	\$630,160,000
2023	125	598	723	\$12,955,575	\$116,094,425	\$129,050,000
2024	25	40	65	\$1,655,575	\$53,604,425	\$55,260,000
2025	25	(228)	-203	\$1,655,575	\$20,694,425	\$22,350,000
2026	25	(318)	-293	\$1,655,575	\$3,434,425	\$5,090,000
2027	25	(299)	-274	\$1,655,575	-\$2,585,575	-\$930,000
2028	25	(222)	-197	\$1,655,575	-\$955,575	\$700,000
2029	25	(123)	-98	\$1,655,575	\$5,064,425	\$6,720,000
2030	25	(25)	0	\$1,655,575	\$13,044,425	\$14,700,000
2031	25	60	85	\$1,655,575	\$21,394,425	\$23,050,000
2032	25	126	151	\$1,655,575	\$29,104,425	\$30,760,000

Source: CPA REMI, Exxon Mobil Corporation

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Goose Creek CISD I&S Tax Levy	Goose Creek CISD M&O Tax Levy	Goose Creek CISD M&O and I&S Tax Levies	Harris County Tax Levy	Lee Junior College Tax Levy	Harris County Hospital District Tax Levy	Harris County Flood Control Tax Levy	Port of Houston Authority Tax Levy	Estimated Total Property Taxes
				0.2619	1.1700		0.4232	0.2504	0.1711	0.0283	0.0126	
2022	\$126,000,000	\$126,000,000		\$329,981	\$1,474,200	\$1,804,181	\$533,245	\$315,504	\$215,586	\$35,671	\$15,826	\$2,920,012
2023	\$324,000,000	\$324,000,000		\$848,524	\$3,790,800	\$4,639,324	\$1,371,200	\$811,296	\$554,364	\$91,724	\$40,694	\$7,508,603
2024	\$739,720,000	\$739,720,000		\$1,937,253	\$8,654,724	\$10,591,977	\$3,130,569	\$1,852,259	\$1,265,661	\$209,415	\$92,909	\$17,142,789
2025	\$724,925,600	\$724,925,600		\$1,898,508	\$8,481,630	\$10,380,137	\$3,067,958	\$1,815,214	\$1,240,348	\$205,226	\$91,051	\$16,799,933
2026	\$710,427,088	\$710,427,088		\$1,860,538	\$8,311,997	\$10,172,534	\$3,006,598	\$1,778,909	\$1,215,541	\$201,122	\$89,230	\$16,463,935
2027	\$696,218,546	\$696,218,546		\$1,823,327	\$8,145,757	\$9,969,084	\$2,946,467	\$1,743,331	\$1,191,230	\$197,099	\$87,445	\$16,134,656
2028	\$682,294,175	\$682,294,175		\$1,786,860	\$7,982,842	\$9,769,702	\$2,887,537	\$1,708,465	\$1,167,405	\$193,157	\$85,696	\$15,811,963
2029	\$668,648,292	\$668,648,292		\$1,751,123	\$7,823,185	\$9,574,308	\$2,829,786	\$1,674,295	\$1,144,057	\$189,294	\$83,982	\$15,495,724
2030	\$655,275,326	\$655,275,326		\$1,716,101	\$7,666,721	\$9,382,822	\$2,773,191	\$1,640,809	\$1,121,176	\$185,508	\$82,303	\$15,185,809
2031	\$642,169,819	\$642,169,819		\$1,681,779	\$7,513,387	\$9,195,165	\$2,717,727	\$1,607,993	\$1,098,753	\$181,798	\$80,657	\$14,882,093
2032	\$629,326,423	\$629,326,423		\$1,648,143	\$7,363,119	\$9,011,262	\$2,663,372	\$1,575,833	\$1,076,778	\$178,162	\$79,043	\$14,584,451
2033	\$616,739,895	\$616,739,895		\$1,615,180	\$7,215,857	\$8,831,037	\$2,610,105	\$1,544,317	\$1,055,242	\$174,599	\$77,463	\$14,292,762
2034	\$604,405,097	\$604,405,097		\$1,582,877	\$7,071,540	\$8,654,416	\$2,557,903	\$1,513,430	\$1,034,137	\$171,107	\$75,913	\$14,006,907
2035	\$592,316,995	\$592,316,995		\$1,551,219	\$6,930,109	\$8,481,328	\$2,506,745	\$1,483,162	\$1,013,454	\$167,685	\$74,395	\$13,726,769
2036	\$580,470,655	\$580,470,655		\$1,520,195	\$6,791,507	\$8,311,701	\$2,456,610	\$1,453,499	\$993,185	\$164,331	\$72,907	\$13,452,233
2037	\$568,861,242	\$568,861,242		\$1,489,791	\$6,655,677	\$8,145,467	\$2,407,478	\$1,424,429	\$973,322	\$161,045	\$71,449	\$13,183,189
2038	\$557,484,017	\$557,484,017		\$1,459,995	\$6,522,563	\$7,982,558	\$2,359,328	\$1,395,940	\$953,855	\$157,824	\$70,020	\$12,919,525
			Total	\$26,501,391	\$118,395,613	\$144,897,004	\$42,825,818	\$25,338,685	\$17,314,094	\$2,864,769	\$1,270,982	\$234,511,352

Source: CPA, Exxon Mobil Corporation

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Harris County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Goose Creek CISD I&S Tax Levy	Goose Creek CISD M&O Tax Levy	Goose Creek CISD M&O and I&S Tax Levies	Harris County Tax Levy	Lee Junior College Tax Levy	Harris County Hospital District Tax Levy	Harris County Flood Control Tax Levy	Port of Houston Authority Tax Levy	Estimated Total Property Taxes	
2022	\$126,000,000	\$126,000,000		0.2619	1.1700		0.4232	0.2504	0.1711	0.0283	0.0126		
2022	\$126,000,000	\$126,000,000		\$329,981	\$1,474,200	\$1,804,181	\$533,245	\$315,504	\$215,586	\$35,671	\$15,826	\$2,652,930	
2023	\$324,000,000	\$324,000,000		\$848,524	\$3,790,800	\$4,639,324	\$1,371,200	\$811,296	\$554,364	\$91,724	\$40,694	\$6,821,820	
2024	\$739,720,000	\$100,000,000		\$1,937,253	\$1,170,000	\$3,107,253	\$3,130,569	\$1,852,259	\$1,265,661	\$209,415	\$92,909	\$8,090,081	
2025	\$724,925,600	\$100,000,000		\$1,898,508	\$1,170,000	\$3,068,508	\$3,067,958	\$1,815,214	\$1,240,348	\$205,226	\$91,051	\$7,951,679	
2026	\$710,427,088	\$100,000,000		\$1,860,538	\$1,170,000	\$3,030,538	\$3,006,598	\$1,778,909	\$1,215,541	\$201,122	\$89,230	\$7,816,045	
2027	\$696,218,546	\$100,000,000		\$1,823,327	\$1,170,000	\$2,993,327	\$2,946,467	\$1,743,331	\$1,191,230	\$197,099	\$87,445	\$7,683,125	
2028	\$682,294,175	\$100,000,000		\$1,786,860	\$1,170,000	\$2,956,860	\$2,887,537	\$1,708,465	\$1,167,405	\$193,157	\$85,696	\$7,552,862	
2029	\$668,648,292	\$100,000,000		\$1,751,123	\$1,170,000	\$2,921,123	\$2,829,786	\$1,674,295	\$1,144,057	\$189,294	\$83,982	\$7,425,205	
2030	\$655,275,326	\$100,000,000		\$1,716,101	\$1,170,000	\$2,886,101	\$2,773,191	\$1,640,809	\$1,121,176	\$185,508	\$82,303	\$7,300,101	
2031	\$642,169,819	\$100,000,000		\$1,681,779	\$1,170,000	\$2,851,779	\$2,717,727	\$1,607,993	\$1,098,753	\$181,798	\$80,657	\$7,177,499	
2032	\$629,326,423	\$100,000,000		\$1,648,143	\$1,170,000	\$2,818,143	\$2,663,372	\$1,575,833	\$1,076,778	\$178,162	\$79,043	\$7,057,349	
2033	\$616,739,895	\$100,000,000		\$1,615,180	\$1,170,000	\$2,785,180	\$2,610,105	\$1,544,317	\$1,055,242	\$174,599	\$77,463	\$6,939,602	
2034	\$604,405,097	\$604,405,097		\$1,582,877	\$7,071,540	\$8,654,416	\$2,557,903	\$1,513,430	\$1,034,137	\$171,107	\$75,913	\$12,725,749	
2035	\$592,316,995	\$592,316,995		\$1,551,219	\$6,930,109	\$8,481,328	\$2,506,745	\$1,483,162	\$1,013,454	\$167,685	\$74,395	\$12,471,234	
2036	\$580,470,655	\$580,470,655		\$1,520,195	\$6,791,507	\$8,311,701	\$2,456,610	\$1,453,499	\$993,185	\$164,331	\$72,907	\$12,221,810	
2037	\$568,861,242	\$568,861,242		\$1,489,791	\$6,655,677	\$8,145,467	\$2,407,478	\$1,424,429	\$973,322	\$161,045	\$71,449	\$11,977,373	
2038	\$557,484,017	\$557,484,017		\$1,459,995	\$6,522,563	\$7,982,558	\$2,359,328	\$1,395,940	\$953,855	\$157,824	\$70,020	\$11,737,826	
				Total	\$26,501,391	\$50,936,395	\$77,437,785	\$42,825,818	\$25,338,685	\$17,314,094	\$2,864,769	\$1,270,982	\$145,602,289
				Diff	\$0	\$67,459,218	\$67,459,218	\$0	\$0	\$0	\$0	\$0	\$88,909,063

Source: CPA, Exxon Mobil Corporation

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Exxon Mobil Corporation (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2021	\$0	\$0	\$0	\$0
	2022	\$1,474,200	\$1,474,200	\$0	\$0
	2023	\$3,790,800	\$5,265,000	\$0	\$0
Limitation Period (10 Years)	2024	\$1,170,000	\$6,435,000	\$7,484,724	\$7,484,724
	2025	\$1,170,000	\$7,605,000	\$7,311,630	\$14,796,354
	2026	\$1,170,000	\$8,775,000	\$7,141,997	\$21,938,350
	2027	\$1,170,000	\$9,945,000	\$6,975,757	\$28,914,107
	2028	\$1,170,000	\$11,115,000	\$6,812,842	\$35,726,949
	2029	\$1,170,000	\$12,285,000	\$6,653,185	\$42,380,134
	2030	\$1,170,000	\$13,455,000	\$6,496,721	\$48,876,856
	2031	\$1,170,000	\$14,625,000	\$6,343,387	\$55,220,243
	2032	\$1,170,000	\$15,795,000	\$6,193,119	\$61,413,362
	2033	\$1,170,000	\$16,965,000	\$6,045,857	\$67,459,218
Maintain Viable Presence (5 Years)	2034	\$7,071,540	\$24,036,540	\$0	\$67,459,218
	2035	\$6,930,109	\$30,966,648	\$0	\$67,459,218
	2036	\$6,791,507	\$37,758,155	\$0	\$67,459,218
	2037	\$6,655,677	\$44,413,832	\$0	\$67,459,218
	2038	\$6,522,563	\$50,936,395	\$0	\$67,459,218
Additional Years as Required by 313.026(c)(1) (10 Years)	2039	\$6,392,112	\$57,328,506	\$0	\$67,459,218
	2040	\$6,264,270	\$63,592,776	\$0	\$67,459,218
	2041	\$6,138,984	\$69,731,760	\$0	\$67,459,218
	2042	\$6,016,204	\$75,747,964	\$0	\$67,459,218
	2043	\$5,895,880	\$81,643,845	\$0	\$67,459,218
	2044	\$5,777,963	\$87,421,808	\$0	\$67,459,218
	2045	\$5,662,403	\$93,084,211	\$0	\$67,459,218
	2046	\$5,549,155	\$98,633,366	\$0	\$67,459,218
	2047	\$5,438,172	\$104,071,539	\$0	\$67,459,218
	2048	\$5,329,409	\$109,400,948	\$0	\$67,459,218

\$109,400,948

is greater than

\$67,459,218

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Exxon Mobil Corporation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Exxon Mobil Corporation’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Exxon Mobil Corporation in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “ExxonMobil group has the ability to invest, locate, and develop new projects, such as the one that is subject of this application, in numerous locations throughout the world. For example, with respect to potential locations in North America, the proposed new facilities could be constructed at ExxonMobil’s petrochemical manufacturing location in Baton Rouge, Louisiana.”
 - B. “The project is still in an evaluation stage; only very preliminary development activities have begun. No engineering, procurement or construction contracts have been negotiated or signed to support the project. No regulatory permit applications have been filed. No public announcements of a definitive intent to construct the project have been made.”
 - C. “Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the project is technically viable and can be cost-competitive in the global marketplace.”
 - D. “For the tax year 2017, Goose Creek CISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the ExxonMobil Baytown Complex location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in ExxonMobil’s decision to invest capital and construct the project in the State of Texas.”
 - E. “Obtaining a limitation on appraised value under Chapter 313 of the Texas Tax Code is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without a limitation on appraised value under Chapter 313 from Goose Creek CISD, siting the project in Harris County is less attractive.”

- According to a *West Chambers Country EDF News* article dated July 13, 2018, Exxon Mobil “has purchased nearly 100 acres adjacent to one of its refineries in Baytown. The energy company bought 93 acres off of Baker Road in Baytown, adjacent to its Baytown refinery, according to public findings.”
- An August 27, 2018 *ICIS* article states “ExxonMobil revealed on Monday details of a proposal to build [two] new units at its complex in Baytown, Texas, saying that one of them will produce its *Vistamaxx* copolymer and the second will produce linear alpha olefins (LAO).”
- The *Houston Chronicle* reported on September 27, 2018 that “Exxon Mobil recently completed plastics expansion at its plant in Mont Belvieu near Houston. The expansion allows Exxon to produce an additional 1.3 million tons of polyethylene a year. Exxon Mobil is considering another plastics project at its nearby Baytown campus, where it already manufactures ethylene, the chemical building block of most plastics. Ethylene and polyethylene are made from cheap and abundant ethane that’s produced along with oil and natural gas in the shale plays of Texas and other regions. The availability of the low-cost raw materials has triggered a petrochemical boom along the Gulf Coast.”
- Per the *Baytown Sun*, in an article dated May 16, 2018:
 - A. “ExxonMobil is looking to expand polymer manufacturing at its Baytown chemical plant” and
 - B. “ExxonMobil recently submitted a permit application to construct a performance polymers unit and a monomer preparation facility at its plant on Bayway Drive.”
 - C. “According to a permit application, the performance polymers unit will combine monomers and generate a pelletized resin. The monomers and catalyst are combined in a reactor, and the resultant polymer is then separated from the reaction components, pelletized and dried. Additionally, the monomer preparation facility will be constructed to prepare monomers for use in polymerization.”
 - D. “The project would be in addition to the company’s 10-year, \$20 billion Growing the Gulf initiative.”
- Investor information from ExxonMobil’s website states “ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand manufacturing facilities in the U.S. Gulf region” and that “ExxonMobil is considering an expansion of its Baytown chemical plant that would include a *Vistamaxx* unit and full-range linear alpha olefins production unit.”
- Supplemental information provided by the applicant stated the following:
 - A. “This email confirms that this project has not received any local or state permits for activities on the proposed project site.”
 - B. “One permit application relating to the project has been filed for a New Source Review (“NSR”) air quality permit. This is an application for a standalone permit for air pollution control issued by the Texas Commission on Environmental Quality (“TCEQ”). The identifying number of the application is 149177. The TCEQ has made no determination with respect to the application. The TCEQ’s determination with respect to the permit application will be based on TCEQ’s review of a potential project’s control technology, health impacts demonstration, and compliance with TCEQ rules. In addition, the permit process offers an opportunity for public participation. This permit is a long lead item as the process for obtaining the permit is lengthy and often protracted. The ability to obtain this permit is an important part of the [applicant’s] evaluation of the viability of the site as a potential location for the project. For these reasons, the permit application is filed at an early stage of the site selection process. The applicant has not received this permit. Tab 5 of the application inadvertently included a statement that no regulatory permit applications have been filed. This e-mail supplements the application to correct this inadvertent oversight by deleting that statement from Tab 5 and replacing it with the information above concerning the NSR air quality permit application. We emphasize that no permits have been received for this project. We note that an application is pending with the TCEQ for renewal of the Texas Pollution Discharge Elimination System (“TPDES”) individual water quality permit for the existing Baytown Chemical Plant facilities located near the unimproved land that is one of the potential locations for the project. The identifying number of the application is TPDES WQ0001215000. As the application for the renewal of this permit relates to the existing Baytown Chemical Plant facilities, the application is not related to the potential project.”

C. "The permit application a New Source Review ("NSR") air quality permit was submitted to TCEQ on November 1, 2017."

- Attached Railroad Commission of Texas Public GIS Viewer map depicting Carbon Dioxide pipelines.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Exxon Mobil Corporation

Chapter 313 Application to Goose Creek CISD

Tab 5

Documentation to assist in determining if limitation is a determining factor

Chapter 313.026(e) states “the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2).” If you answered “yes” to any of the questions in Section 8, attach supporting information in Tab 5.

Exxon Mobil Corporation (“ExxonMobil”) is one of the largest integrated international oil & gas companies in the world and, together with its subsidiaries, has operations in more than 200 countries. As such, this project competes with other potential projects in the ExxonMobil group for approval of a portion of the group’s capital investment budget to fund the capital investment necessary to construct the project. Moreover, the ExxonMobil group has the ability to invest, locate, and develop new projects, such as the one that is subject of this application, in numerous locations throughout the world. For example, with respect to potential locations in North America, the proposed new facilities could be constructed at ExxonMobil’s petrochemical manufacturing location in Baton Rouge, Louisiana.

ExxonMobil takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. ExxonMobil consistently seeks new global investment opportunities that create value for our shareholders. ExxonMobil’s business model is to conduct an extensive evaluation before making any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration.

The project is still in an evaluation stage; only very preliminary development activities have begun. No engineering, procurement or construction contracts have been negotiated or signed to support the project. No regulatory permit applications have been filed. No public announcements of a definitive intent to construct the project have been made. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the project is technically viable and can be cost-competitive in the global marketplace.

Competitive abatement programs for the proposed new facilities exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facilities is an important factor in ExxonMobil’s site selection evaluation and decision, as well as in obtaining approval for the project internally within ExxonMobil. For the tax year 2017, Goose Creek CISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the ExxonMobil Baytown Complex location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in ExxonMobil’s decision to invest capital and construct the project in the State of Texas.

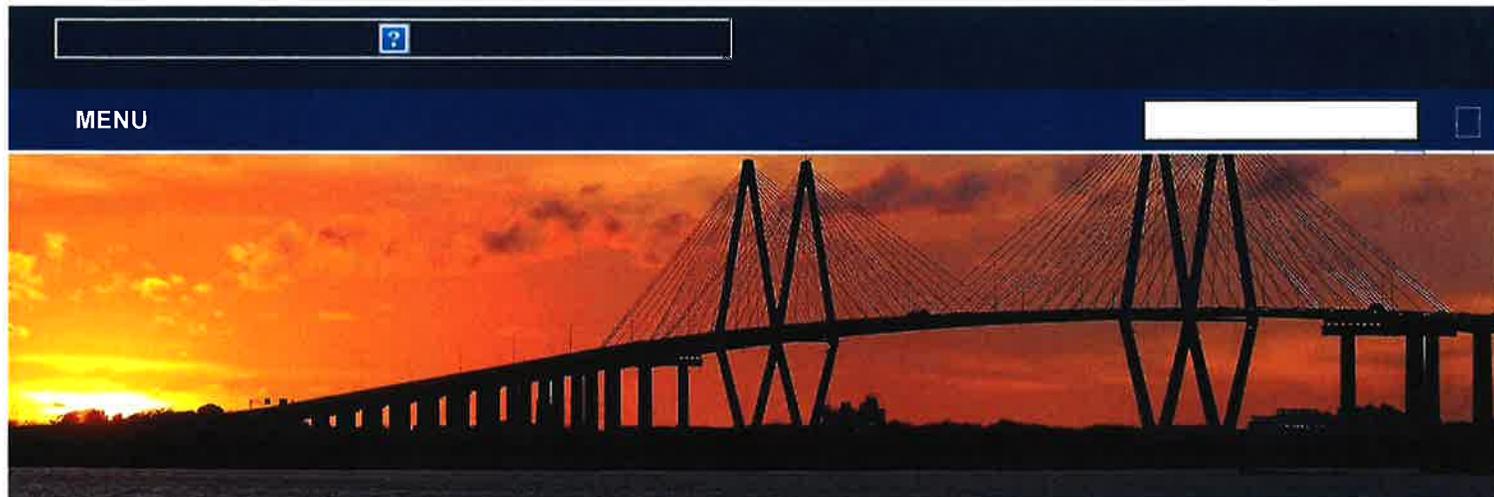
Exxon Mobil Corporation

Chapter 313 Application to Goose Creek CISD

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining a limitation on appraised value under Chapter 313 of the Texas Tax Code is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without a limitation on appraised value under Chapter 313 from Goose Creek CISD, siting the project in Harris County is less attractive.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Exxon Mobil buys nearly 100 acres in Baytown

July 13, 2018

Irving, Texas-based Exxon Mobil Corp. (NYSE: XOM) has purchased nearly 100 acres adjacent to one of its refineries in Baytown.

The energy company bought 93 acres off of Baker Road in Baytown, adjacent to its Baytown refinery, according to public filings. The deal closed in early June. New York-based SI Group Inc., a chemical company, sold the land to Exxon in two contiguous tracts comprised of 55 acres and 38 acres, per the filings.

SI Group has several property tracts in the area, including a chemical facility, according to Harris County Appraisal District records. The SI chemical facilities at the site were not included in the deal, according to a company spokesperson. Those facilities are appraised at more than \$19 million, according to the records.

Exxon Mobil does not have any immediate plans for the land's use, said an Exxon Mobil spokesperson.

It's not uncommon for energy companies to buy the land that neighbors its existing refineries, industry sources said, to make sure there aren't any future liabilities with competition next door. An increasing number of downstream companies are engaging in these purchases, too, following the passage of more business-friendly tax codes in recent years.

An example of a similar purchase closed recently. The Woodlands-based Chevron Phillips Chemical purchased a house and land adjacent to its Cedar Bayou plant in Baytown in June. In CP Chem's case, the deal primarily created a buffer zone between the facilities and occupied land, CP Chem's CEO Mark Lashier told the Houston Business Journal. It also gives the facility room for future expansion, including growth projects or efforts to harden the site against floods, Lashier said.

Earlier this year, Exxon Mobil CEO Darren Woods said the company plans to invest \$50 billion over the next five years in its U.S. operations, helped along in part by tax breaks passed last year.

Meanwhile, Exxon Mobil has 11 projects on the U.S. Gulf Coast that it expects to have created more than 45,000 jobs between 2013 and 2022. The projects — in Texas and Louisiana — stretch across the chemical, refining, lubricant and liquefied natural gas markets.

An Exxon Mobil subsidiary, XTO Energy, is in the process of relocating its headquarters from Fort Worth to Exxon's Springwoods Village campus in north Houston.

By Cara Smith, Houston Business Journal

<https://www.bizjournals.com/houston/news/2018/07/13/exclusive-exxon-mobil-buys-nearly-100-acres-in.html>

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US ExxonMobil considers Vistamaxx, LAO plants in Baytown

27 August 2018 22:59 Source: [ICIS News](#)

HOUSTON (ICIS)--US-based producer ExxonMobil revealed on Monday details of a proposal to build two new units at its complex in Baytown, Texas, saying that one of them will produce its Vistamaxx copolymer and the second will produce linear alpha olefins (LAO).

Vistamaxx is a semi-crystalline copolymer of propylene and ethylene.

The Vistamaxx plant would have a capacity of about 400,000 tonnes/year, the company said.

The LAO plant would represent the company's entry into this market, ExxonMobil said. The unit would produce about 350,000 tonnes/year of the product.



ExxonMobil expects to make a final investment decision (FID) in the first half of 2019, the company said. Such a decision would depend on environmental permits, market conditions and economic competitiveness, among other factors.

If ExxonMobil proceeds with the project, operations should start in late 2021.

The project was revealed earlier when ExxonMobil applied for a state tax programme. The application gave a different start-up date.

Above: ExxonMobil is considering building a Vistamaxx copolymer unit and a linear alpha olefins (LAO) plant at its Baytown, Texas. Earlier this year, the company started up its new ethane cracker at the site. (Photo from ExxonMobil)

By [Al Greenwood](#)



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Exxon finishes expansion of refinery in Beaumont; - Houston Chronicle (TX) - September 27, 2018 - page B001

September 27, 2018 | Houston Chronicle (TX) | Jordan Blum | Page B001

Exxon Mobil said Wednesday it has completed a nearly \$500 million refining **expansion** at its Beaumont campus and plans to further expand the sprawling complex to add much more capacity for refining and petrochemical manufacturing.

A new plastics plant is already under construction as **Exxon Mobil** confirmed it also is conducting engineering and design work for a much larger, multibillion-dollar crude refining **expansion** that could make the Beaumont refinery the nation's largest, surpassing the Motiva Enterprise refinery in Port Arthur.

Big Oil companies rarely undertake refining projects in the United States because domestic fuel demand is relatively flat. But **Exxon** is looking to take advantage of the flood of oil coming from the Permian Basin. The idea is for the refinery to process much more of lighter crude produced in West Texas.

Most Gulf Coast refineries, including **Exxon Mobil's**, are designed to primarily process heavier grades of crude typically imported from countries such as Canada and Venezuela. Those refineries were configured long before the recent shale boom that has spurred record U.S. oil production.

Nearly two years ago, the Beaumont refinery added the flexibility to process limited volumes of light crude with the addition of 20,000 barrels per day of extra refining capacity.

Exxon Mobil said that it has finished and started up its new refining unit, which will produce another 45,000 barrels a day of ultra-low sulfur gasoline and diesel fuels to meet tougher federal emissions standards. "The new unit at Beaumont will further enhance our competitiveness and strengthen **Exxon Mobil's** position as a leader among Gulf Coast refiners," said Bryan Milton, president **Exxon Mobil** fuels and lubricants.

Construction on the refining **expansion** began in 2016. In December, a contract worker, 31-year-old Yesenia Espinoza, was killed during the project when she was struck by a large piece of pipe.

Exxon Mobil is building a new plastics plant at the Beaumont hub to manufacture up to 650,000 metric tons a year of polyethylene, the world's most common plastic. That plastics **expansion** is slated for completion next year.

Exxon Mobil recently completed plastics **expansion** at its plant in Mont Belvieu near Houston. The **expansion** allows **Exxon** to produce an additional 1.3 million tons of polyethylene a year. **Exxon Mobil** is considering another plastics project at its nearby **Baytown** campus, where it already manufactures ethylene, the chemical building block of most plastics.

Ethylene and polyethylene are made from cheap and abundant ethane that's produced along with oil and natural gas in the shale plays of Texas and other regions. The availability of the low-cost raw materials has triggered a petrochemical boom along the Gulf Coast.

On Tuesday, for example, French energy major Total and its partners said they will soon start construction on a new plastics plant at Total's Bayport campus near Pasadena. The \$1 billion project involves building a new plant to produce 625,000 tons - more than 1.3 billion pounds - of polyethylene a year.

Exxon Mobil said it is conducting front-end engineering of the refinery **expansion** and may commence construction next year, once a final decision is made. The project would be finished in 2022. Exxon would not detail the size or cost of the refining project, dubbed "BLADE" for **Beaumont Light Atmospheric Distillation Expansion**.

The Beaumont refinery processes more than 365,000 barrels of crude a day while the nation's largest, Motiva, can churn through about 635,000 barrels daily. Motiva is owned by Saudi Aramco, the national oil company of Saudi Arabia.

Exxon Mobil's largest U.S. refinery - at least for now - is in **Baytown**, which has about 580,000 barrels of refining capacity.

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Growing the Gulf >



Growing the Gulf: Investing in America



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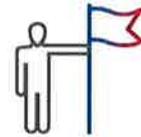
45K+
JOBS

Construction &
full-time



\$100K

Projected average
full-time salary



11

Major project
expansions



Technological advances have unlocked vast new supplies of energy, particularly natural gas, which has helped lead a resurgence in American manufacturing. This abundance of energy has significantly reduced energy costs and is also helping contribute to the overall reduction in U.S. greenhouse gas emissions.

- ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand manufacturing facilities in the U.S. Gulf region.
- These projects are expected to create more than 45,000 jobs, of which more than 12,000 are full-time jobs.
- Full-time manufacturing jobs are mostly high-skilled and high-paying and have average annual salaries ranging from \$75,000 to \$125,000.
- The expansion covers 11 major chemical, refining, lubricant and liquefied natural gas projects along the Texas and Louisiana coasts.
- The Golden Pass Products liquefied natural gas project and most of the new chemical capacity investment in the Gulf region are geared toward external markets, which will help boost the United States' exports.
- Smart and stable tax regulatory and trade policies are critical to ensuring that U.S. manufacturing can continue to grow.

ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand 11 manufacturing facilities, creating thousands of jobs and billions of dollars' worth of economic activity.

Beaumont

ExxonMobil's Beaumont integrated operations include a refinery and chemical, lubricants and polyethylene plant. ExxonMobil has more than 2,000 area employees and its operations account for approximately one in every seven jobs in the region.

Recent and proposed investments include:

- Increased capacity to an existing crude unit by 20,000 barrels per day and added flexibility to process light crudes. The increase was made possible in large part by abundant, affordable supplies of U.S. light crude from shale.
- Increased production of ultra-low sulfur fuels by approximately 40,000 barrels per day using proprietary catalyst technology to remove sulfur while minimizing octane loss. The product meets EPA's Tier 3 specifications.
- Construction of a new production unit at the polyethylene plant that will

increase capacity by 65 percent to meet growing demand for high performance plastics that are especially well-suited for applications such as liquid and food packaging, construction liners and agricultural films; startup is expected in 2019.

- Front-end engineering, design and other preparatory work to further increase the refinery's light crude refining capacity. Construction of the new crude unit, which is subject to a final investment decision, is scheduled to begin in 2019, with startup anticipated by 2022.

Learn more about ExxonMobil's operations in Beaumont.



Baytown

ExxonMobil's Baytown complex, which employs a workforce of approximately 7,000, is one of the largest and most technologically advanced refining and petrochemical complexes in the world. The complex is located on approximately 3,400 acres along the Houston Ship Channel, about 25 miles east of Houston,

Texas. It is comprised of four manufacturing sites and a global technology center.

Investments include:

- ExxonMobil commenced operations at its 1.5 million ton ethane steam cracker at the company's Baytown olefins plant. The new cracker, part of ExxonMobil's multi-billion dollar Baytown chemical expansion project, will provide ethylene feedstock to the new performance polyethylene lines in Mont Belvieu, which began production in the fall of 2017. The Mont Belvieu plant is now one of the largest polyethylene plants in the world, with manufacturing capacity of about 1.3 million tons per year. Together, these projects represent ExxonMobil's largest chemical investment in the U.S. to date. The project is designed to meet the growing demand for high performance plastic products that deliver sustainability benefits such as lighter packaging weight, lower energy consumption and reduced emissions.
- Increasing production of advanced synthetic Group II and Group II+ EHC™ base stocks products that can help lubricant blenders achieve greater formulation flexibility, simplified global qualification testing and enhanced product integrity. These innovative products are designed to meet evolving industry requirements and incorporate ExxonMobil's proprietary catalyst and process technologies.
- A world-scale manufacturing facility able to produce up to 50,000 tons of synthetic lubricant base stocks annually. Manufactured using a proprietary metallocene catalyst process, the base stocks offer improved performance characteristics that can help address formulators' lubrication challenges, particularly in industrial applications.
- ExxonMobil is considering an expansion of its Baytown chemical plant that would include a Vistamaxx unit and full-range linear alpha olefins production unit. A final investment decision, expected in the first half of 2019, will be based on a number of factors, including receipt of environmental permits, market conditions and economic competitiveness. Should the project proceed, startup is anticipated in late 2021. The new unit would produce about 400,000

tons a year. The project is expected to create up to 2,000 construction jobs during peak periods and more than 50 new, local permanent jobs upon completion.

Learn more about ExxonMobil's operations at Baytown.



Baton Rouge

ExxonMobil operates 33 facilities in Louisiana and employs about 5,500 employees and contractors. In the last three years, the company has invested more than \$1 billion in capital projects in the Baton Rouge area, which has led to more than 4,500 direct construction jobs.

Investments include:

- A recently completed 90,000 square foot state-of-the-art aviation lubricants blending, packaging and distribution facility ships products worldwide. The

facility uses the latest manufacturing equipment and a range of sustainable features to increase electrical energy efficiency, including natural day-lighting panel, a comprehensive recycling program and dedicated water treatment facilities. Dedicated to the production of Mobil Jet Engine oils, the facility has dedicated lines, raw material and finished product tanks to meet the growing demand for advanced aviation engine oils.

- The Sulfur Expansion Project increases raw material flexibility and capacity for the refinery and decreases site sulfur emissions during maintenance activities. The project uses ExxonMobil technology to meet or exceed all federal and state requirements for hydrogen sulfide and sulfur dioxide emissions.
- ExxonMobil is evaluating an expansion of its U.S. Gulf Coast polypropylene production capacity by up to 450,000 tons per year. Front-end engineering, design and other preparatory work is proceeding. The company will perform a comprehensive analysis with a focus on local infrastructure, efficiency, scale and integration with our existing manufacturing facilities. A final investment decision will be made after this analysis is complete and all required permits have been received. Early estimates indicate this project would represent an investment of several hundred million dollars, require more than 600 workers on-site during peak construction and create more than 65 new jobs upon completion. Direct and indirect job creation, coupled with project spending, is expected to generate considerable local economic benefits.

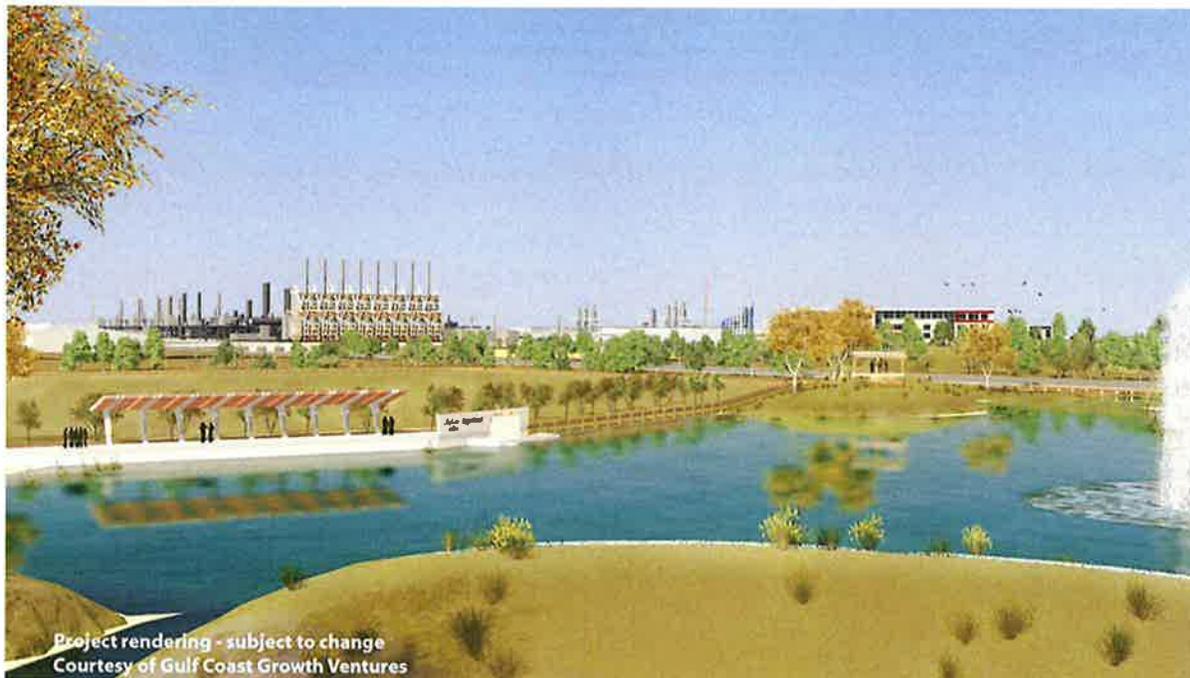
Learn more about ExxonMobil's operations in Baton Rouge.



Gulf Coast

ExxonMobil and SABIC are evaluating jointly building a plastics manufacturing facility along the U.S. Gulf Coast. The proposed facility would include an ethane steam cracker capable of producing 1.8 million tons per year of ethylene and three derivative units. Ethane cracking involves heating ethane until it breaks down (“cracks”) to form a mixture of ethylene and small amounts of other gases. It is then distilled further in a series of processes to create pure ethylene.

The ethylene from the ethane steam cracker would feed three derivative units. One unit would produce monoethylene glycol, which is used in latex paints, automotive coolants and anti-freeze, or as a building block to create polyester for the manufacture of clothing and polyethylene terephthalate for beverage bottles and containers. The other two units would provide polyethylene for use in film, packaging, bottles and containers and various sized pipes.



The multi-billion dollar proposed investment is expected to create more than 600 new, permanent jobs with good salaries and benefits, as well as 3,500 indirect permanent jobs. It would also create up to 11,000 construction jobs during the five-year construction phase. The project could also generate more than \$22 billion in economic output during the construction phase and \$50+ billion in economic output during the first six years of operations.

[Learn more about Gulf Coast Growth Ventures.](#)



Golden Pass Products

Golden Pass Products, a partnership of Qatar Petroleum International and ExxonMobil affiliates, is proposing to add facilities to liquefy and export natural gas at the existing Golden Pass LNG import terminal in Sabine Pass, Texas.

The new facility would be built on existing Golden Pass property and utilize the existing state-of-the-art tanks, berths and pipeline infrastructure. New facilities for natural gas pre-treatment and liquefaction would be constructed. The new project's estimated send out capacity would be 15.6 million tons of LNG per year. This expansion would allow Golden Pass the flexibility to import and export natural gas.

The proposed project would be an approximately \$10 billion investment in infrastructure on the Gulf Coast, which would generate billions of dollars of economic growth and millions of dollars in annual taxes to local, state and federal governments. The project would also generate tens of thousands of jobs across the life of the facility, including approximately 9,000 construction jobs over five years

http://baytownsun.com/news/article_0444fffa-28c3-11e8-9071-ffea757ed013.html

Environmental activists hope to lower emissions on Exxon expansion

By Christopher James christopher.james@baytownsun.com Mar 16, 2018

A group of San Jacinto River activists hope they can push ExxonMobil to lesson its emissions numbers in a proposed facility expansion.

ExxonMobil is looking to expand polymer manufacturing at its Baytown chemical plant, and the San Jacinto River Coalition members want to know their rights in the public permitting process.

ExxonMobil recently submitted a permit application to construct a performance polymers unit and a monomer preparation facility at its plant on Bayway Drive.

When representatives with Lone Star Legal Aid started fielding calls from concerned citizens about the new project, they reached out to Jacquelyn Young and the Texas Health and Environmental Alliance to help educate the public.

“Permitting and this process that is going on with TCEQ and ExxonMobil is something that Lone Star Legal Aid has expertise in,” said Young, director of THEA. “I believe they’ve received some concerns from local residents, so they’re going to review the permitting process, the overview of the permit and how they can be involved in the process.”

After presenting some of the air emissions numbers associated with the new ExxonMobil project at the coalition’s last meeting, which included about 153 tons of carbon dioxide per year and 203 tons of volatile organic compounds per year, coalition members accepted Lone Star Legal Aid’s offer, with a goal to lower some of the emission numbers.

At the next coalition meeting, Tuesday, April 10, at 6:30 p.m. at the Highlands Community Center, Lone Star Legal Aid will discuss public options in the process.

In terms of the project, ExxonMobil Public and Government Affairs Advisor Connie Tilton said the company is evaluating potential expansion and submitted an air emissions permit application with the Texas Commission for Environmental Quality as part of the evaluation process.

“The project would comply with applicable environmental requirements and utilize proven, current technology to minimize emissions. If the project proceeds, the expansion would occur within the facility's existing boundaries,” said Tilton. “A final investment decision will be made only after our analysis is complete and all required permits have been obtained.”

The two processing units will use shared facilities that include two hot oil heaters, a cooling tower and a thermal oxidizer, among other things.

According to a permit application, the performance polymers unit will combine monomers and generate a pelletized resin. The monomers and catalyst are combined in a reactor, and the resultant polymer is then separated from the reaction components, pelletized and dried. Additionally, the monomer preparation facility will be constructed to prepare monomers for use in polymerization.

Tilton said the project would be in addition to the company's 10-year, \$20 billion Growing the Gulf initiative.

“As our current, broader Baytown expansion project has demonstrated, significant investments like this positively impact the local and regional economy through direct and indirect job creation and spending,” said Tilton.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Barbers Hill ISD – Exxon Mobil Corporation App. #1275

Comptroller Questions (via email on September 13, 2018):

1. *Could you please verify if this project has received any local or state permits for activities on the proposed project site? If so, please provide additional information such as the permit type and date received.*

Applicant Response (via email on September 24, 2018):

1. *This e-mail confirms that this project has not received any local or state permits for activities on the proposed project site.*

Comptroller Questions (via email on September 24, 2018):

2. *Additionally, can you tell us if any permits have been applied for regarding this project? If so, please provide additional information such as the permit type and date received.*

Applicant Response (via email on September 28, 2018):

2. *One permit application relating to the project has been filed for a New Source Review (“NSR”) air quality permit. This is an application for a standalone permit for air pollution control issued by the Texas Commission on Environmental Quality (“TCEQ”). The identifying number of the application is 149177. The TCEQ has made no determination with respect to the application. The TCEQ’s determination with respect to the permit application will be based on TCEQ’s review of a potential project’s control technology, health impacts demonstration, and compliance with TCEQ rules. In addition, the permit process offers an opportunity for public participation. This permit is a long lead item as the process for obtaining the permit is lengthy and often protracted. The ability to obtain this permit is an important part of the applicant’s evaluation of the viability of the site as a potential location for the project. For these reasons, the permit application is filed at an early stage of the site selection process. The applicant has not received this permit.*

Tab 5 of the application inadvertently included a statement that no regulatory permit applications have been filed. This e-mail supplements the application to correct this inadvertent oversight by deleting that statement from Tab 5 and replacing it with the information above concerning the NSR air quality permit application.

We emphasize that no permits have been received for this project.

We note that an application is pending with the TCEQ for renewal of the Texas Pollution Discharge Elimination System ("TPDES") individual water quality permit for the existing Baytown Chemical Plant facilities located near the unimproved land that is one of the potential locations for the project. The identifying number of the application is TPDES WQ0001215000. As the application for the renewal of this permit relates to the existing Baytown Chemical Plant facilities, the application is not related to the potential project.

Comptroller Questions (via email on October 5, 2018):

- 3. Could you also give us the date that the NSR was applied for?*

Applicant Response (via email on October 8, 2018):

- 3. The permit application a New Source Review ("NSR") air quality permit was submitted to TCEQ on November 1, 2017.*

Channelview

Application #1275

Baytown

Morgans Point

La Porte Municipal Airport

