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GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

November 22, 2022

Dr. Melissa Duarte
Superintendent
Texas City Independent School District
1700 Ninth Avenue North
Texas City, TX 77590

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Texas City Independent School District and Blue Bayou Ammonia, L.L.C., Application 2039

Dear Superintendent Duarte:

On August 30, 2022, the Comptroller issued written notice that Blue Bayou Ammonia, L.L.C. (applicant) submitted a completed application (Application 2039) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on May 26, 2022, to the Texas City 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.

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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 2039.

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 **by December 31, 2022.**

Note that any building or improvement existing as of the application review start date of August 30, 2022, 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.

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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,

DocuSigned by:
Lisa Craven
11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Blue Bayou Ammonia, L.L.C. (project) applying to Texas City 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 Blue Bayou Ammonia, L.L.C.

Applicant	Blue Bayou Ammonia, L.L.C.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Texas City ISD
2020-2021 Average Daily Attendance	7,193
County	Galveston
Proposed Total Investment in District	$300,000,000
Proposed Qualified Investment	$231,000,000
Limitation Amount	$80,000,000
Qualifying Time Period (Full Years)	2028-2029
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	$1,313
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,293
Minimum annual wage committed to by applicant for qualified jobs	$68,255
Minimum weekly wage required for non-qualifying jobs	$1,048.75
Minimum annual wage required for non-qualifying jobs	$54,535
Investment per Qualifying Job	$12,000,000
Estimated M&O levy without any limit (15 years)	$29,076,930
Estimated M&O levy with Limitation (15 years)	$15,445,156
Estimated gross M&O tax benefit (15 years)	$13,631,774

Table 2 is the estimated statewide economic impact of Blue Bayou Ammonia, L.L.C. (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2027	650	699	1,349	$34,125,000	$85,337,000	$119,462,000
2028	500	570	1070	$26,250,000	$80,016,000	$106,266,000
2029	500	573	1073	$26,250,000	$87,296,000	$113,546,000
2030	25	130	155	$1,706,375	$31,137,625	$32,844,000
2031	25	87	112	$1,706,375	$23,604,625	$25,311,000
2032	25	54	79	$1,706,375	$18,139,625	$19,846,000
2033	25	44	69	$1,706,375	$15,445,625	$17,152,000
2034	25	48	73	$1,706,375	$14,792,625	$16,499,000
2035	25	59	84	$1,706,375	$15,461,625	$17,168,000
2036	25	72	97	$1,706,375	$16,863,625	$18,570,000
2037	25	84	109	$1,706,375	$18,657,625	$20,364,000
2038	25	96	121	$1,706,375	$20,750,625	$22,457,000
2039	25	106	131	$1,706,375	$22,960,625	$24,667,000
2040	25	112	137	$1,706,375	$24,905,625	$26,612,000
2041	25	117	142	$1,706,375	$26,848,625	$28,555,000
2042	25	121	146	$1,706,375	$28,627,625	$30,334,000
2043	25	123	148	$1,706,375	$30,185,625	$31,892,000
2044	25	123	148	$1,706,375	$31,645,625	$33,352,000

Source: CPA REMI, Blue Bayou Ammonia, L.L.C.

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		Texas City ISD I&S Tax Levy	Texas City ISD M&O Tax Levy	Texas City ISD M&O and I&S Tax Levies	Galveston County Tax Levy	College of Mainland Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.3379**	**1.0134**		**0.4149**	**0.2677**	
2030	$267,300,000	$267,300,000		$903,207	$2,708,818	$3,612,025	$1,109,028	$715,562	$5,436,615
2031	$253,935,000	$253,935,000		$858,046	$2,573,377	$3,431,424	$1,053,576	$679,784	$5,164,784
2032	$241,238,250	$241,238,250		$815,144	$2,444,708	$3,259,852	$1,000,897	$645,795	$4,906,545
2033	$229,176,338	$229,176,338		$774,387	$2,322,473	$3,096,860	$950,853	$613,505	$4,661,218
2034	$217,717,521	$217,717,521		$735,668	$2,206,349	$2,942,017	$903,310	$582,830	$4,428,157
2035	$206,831,645	$206,831,645		$698,884	$2,096,032	$2,794,916	$858,144	$553,688	$4,206,749
2036	$196,490,062	$196,490,062		$663,940	$1,991,230	$2,655,170	$815,237	$526,004	$3,996,411
2037	$186,665,559	$186,665,559		$630,743	$1,891,669	$2,522,412	$774,475	$499,704	$3,796,591
2038	$177,332,281	$177,332,281		$599,206	$1,797,085	$2,396,291	$735,752	$474,719	$3,606,761
2039	$168,465,667	$168,465,667		$569,245	$1,707,231	$2,276,477	$698,964	$450,983	$3,426,423
2040	$160,042,384	$160,042,384		$540,783	$1,621,870	$2,162,653	$664,016	$428,433	$3,255,102
2041	$152,040,265	$152,040,265		$513,744	$1,540,776	$2,054,520	$630,815	$407,012	$3,092,347
2042	$144,438,251	$144,438,251		$488,057	$1,463,737	$1,951,794	$599,274	$386,661	$2,937,730
2043	$137,216,339	$137,216,339		$463,654	$1,390,550	$1,854,204	$569,311	$367,328	$2,790,843
2044	$130,355,522	$130,355,522		$440,471	$1,321,023	$1,761,494	$540,845	$348,962	$2,651,301
			Total	**$9,695,179**	**$29,076,930**	**$38,772,109**	**$11,904,498**	**$7,680,969**	**$58,357,576**

Source: CPA, Blue Bayou Ammonia, L.L.C.
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Galveston 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		Texas City ISD I&S Tax Levy	Texas City ISD M&O Tax Levy	Texas City ISD M&O and I&S Tax Levies	Galveston County Tax Levy	College of Mainland Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.3379**	**1.0134**		**0.4149**	**0.2677**	
2030	$267,300,000	$80,000,000		$903,207	$810,720	$1,713,927	$1,109,028	$715,562	$3,538,517
2031	$253,935,000	$80,000,000		$858,046	$810,720	$1,668,766	$1,053,576	$679,784	$3,402,127
2032	$241,238,250	$80,000,000		$815,144	$810,720	$1,625,864	$1,000,897	$645,795	$3,272,556
2033	$229,176,338	$80,000,000		$774,387	$810,720	$1,585,107	$950,853	$613,505	$3,149,465
2034	$217,717,521	$80,000,000		$735,668	$810,720	$1,546,388	$903,310	$582,830	$3,032,527
2035	$206,831,645	$80,000,000		$698,884	$810,720	$1,509,604	$858,144	$553,688	$2,921,437
2036	$196,490,062	$80,000,000		$663,940	$810,720	$1,474,660	$815,237	$526,004	$2,815,901
2037	$186,665,559	$80,000,000		$630,743	$810,720	$1,441,463	$774,475	$499,704	$2,715,642
2038	$177,332,281	$80,000,000		$599,206	$810,720	$1,409,926	$735,752	$474,719	$2,620,396
2039	$168,465,667	$80,000,000		$569,245	$810,720	$1,379,965	$698,964	$450,983	$2,529,912
2040	$160,042,384	$160,042,384		$540,783	$1,621,870	$2,162,653	$664,016	$428,433	$3,255,102
2041	$152,040,265	$152,040,265		$513,744	$1,540,776	$2,054,520	$630,815	$407,012	$3,092,347
2042	$144,438,251	$144,438,251		$488,057	$1,463,737	$1,951,794	$599,274	$386,661	$2,937,730
2043	$137,216,339	$137,216,339		$463,654	$1,390,550	$1,854,204	$569,311	$367,328	$2,790,843
2044	$130,355,522	$130,355,522		$440,471	$1,321,023	$1,761,494	$540,845	$348,962	$2,651,301
			Total	**$9,695,179**	**$15,445,156**	**$25,140,335**	**$11,904,498**	**$7,680,969**	**$44,725,802**
			Diff	**$0**	**$13,631,774**	**$13,631,774**	**$0**	**$0**	**$13,631,774**
Assumes School Value Limitation.									

Source: CPA, Blue Bayou Ammonia, L.L.C.
*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 Blue Bayou Ammonia, L.L.C. (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	2027	$0	$0	$0	$0
	2028	$174,812	$174,812	$0	$0
	2029	$972,864	$1,147,676	$0	$0
Limitation Period (10 Years)	2030	$810,720	$1,958,396	$1,898,098	$1,898,098
	2031	$810,720	$2,769,116	$1,762,657	$3,660,755
	2032	$810,720	$3,579,836	$1,633,988	$5,294,744
	2033	$810,720	$4,390,556	$1,511,753	$6,806,497
	2034	$810,720	$5,201,276	$1,395,629	$8,202,126
	2035	$810,720	$6,011,996	$1,285,312	$9,487,438
	2036	$810,720	$6,822,716	$1,180,510	$10,667,948
	2037	$810,720	$7,633,436	$1,080,949	$11,748,897
	2038	$810,720	$8,444,156	$986,365	$12,735,263
	2039	$810,720	$9,254,876	$896,511	$13,631,774
Maintain Viable Presence (5 Years)	2040	$1,621,870	$10,876,745	$0	$13,631,774
	2041	$1,540,776	$12,417,521	$0	$13,631,774
	2042	$1,463,737	$13,881,258	$0	$13,631,774
	2043	$1,390,550	$15,271,809	$0	$13,631,774
	2044	$1,321,023	$16,592,832	$0	$13,631,774
Additional Years as Required by 313.026(c)(1) (10 Years)	2045	$1,254,972	$17,847,803	$0	$13,631,774
	2046	$1,192,223	$19,040,026	$0	$13,631,774
	2047	$1,132,612	$20,172,638	$0	$13,631,774
	2048	$1,075,981	$21,248,620	$0	$13,631,774
	2049	$1,022,182	$22,270,802	$0	$13,631,774
	2050	$971,073	$23,241,875	$0	$13,631,774
	2051	$922,520	$24,164,395	$0	$13,631,774
	2052	$876,394	$25,040,788	$0	$13,631,774
	2053	$832,574	$25,873,362	$0	$13,631,774
	2054	$790,945	$26,664,307	$0	$13,631,774
		$26,664,307	is greater than	**$13,631,774**	

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, Blue Bayou Ammonia, L.L.C.

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 Blue Bayou Ammonia L.L.C.'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 Applicant, "have confirmed for all mentioned applications that there will be no possible interconnections and/or involvement with the surrounding existing property (existing project #1402 Gulf Coast Ammonia)."
- Per Blue Bayou Ammonia L.L.C. in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Starwood Energy Group ("SEG" or "Developer"), headquartered in Greenwich, CY, is a private investment firm focused on investments in energy infrastructure projects. Established in 2005, SEG has a long track record of successfully developing energy infrastructure assets throughout the United States and Canada bringing extensive development, construction, operations, acquisition, and financing expertise to its investment projects. Blue Bayou Ammonia, L.L.C. is one such proposed greenfield projects that SEG considering to develop."
  B. "The Blue Bayou 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 obtained. No public announcements of a definitive intent to construct the Project have been made. Only agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into which is necessary for purposes of determining whether the Project is technically viable and can be cost-competitive in the global marketplace. The applicant is evaluating alternative siting for this capital in Louisiana."
  C. "In summary, the ultimate determination for SEG to deploy capital to an investment pursuit depends on the project economics. In the case of the investment on this 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 the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for

investment in Texas. The domestic and global industrial gas market is very competitive. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen."

- An article in *Oil and Gas Watch* states that "The proposed Blue Bayou Ammonia Plant in Galveston County, Texas, would be able to produce "blue" ammonia from fracked natural gas while sequestering carbon dioxide underground. It would be built in four phases and designed to produce over 3 million metric tons of ammonia per year, which could be used in products such as fertilizers, plastics, or as a fuel for transportation and power generation."
- A Press Release by *Starwoodenergygroup.com* dated January 8, 2020, "Gulf Coast Ammonia LLC (GCA) announced today that it has closed on non-recourse project financing for its world-scale anhydrous ammonia plant in Texas on December 30, 2019. Construction capital will be provided by a joint venture of Starwood Energy Group Global LLC (Starwood Energy) and Mabanaft GmbH & Co. KG (Mabanaft). The facility will have a production capacity of approximately 1.3 million tons of ammonia per year and will purchase hydrogen and nitrogen gases as feedstock, providing for significant capital efficiency and reduced air emissions. Construction of the facility will begin in early 2020 with commissioning expected in the first half of 2023."

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 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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement: September 2022
2. Estimated commencement of construction: Q4 2027
3. Beginning of qualifying time period (MM/DD/YYYY): January 1, 2028
4. First year of limitation (YYYY): 2030

4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):

☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP

☑ C. January 1 following the commencement of commercial operations

5. Commencement of commercial operations: Q4 2029

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Galveston
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Galveston
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Texas City ISD; 100%; $1.0134 *(Name, tax rate and percent of project)*

I&S (ISD): Texas City ISD; 100%; $0.3379 *(Name, tax rate and percent of project)*

County: Galveston; 100%; $0.4149 *(Name, tax rate and percent of project)*

City: Texas City; 100%; $0.4900 *(Name, tax rate and percent of project)*

Hospital District: NA *(Name, tax rate and percent of project)*

Water District: NA *(Name, tax rate and percent of project)*

Other *(describe)*: College of the Mainland; 100%; $0.2677 *(Name, tax rate and percent of project)*

Other *(describe)*: County Road and Flood; 100%; $0.00956 *(Name, tax rate and percent of project)*

Supporting Information

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

TAB 5

Documentation to assist in determining if limitation is a determining factor.

Starwood Energy Group ("SEG" or "Developer"), headquartered in Greenwich, CY, is a private investment firm focused on investments in energy infrastructure projects. Established in 2005, SEG has a long track record of successfully developing energy infrastructure assets throughout the United States and Canada bringing extensive development, construction, operations, acquisition, and financing expertise to its investment projects. Blue Bayou Ammonia, L.L.C. is one such proposed greenfield projects that SEG considering to develop.

The Blue Bayou 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 obtained. No public announcements of a definitive intent to construct the Project have been made. Only agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into which is necessary for purposes of determining whether the Project is technically viable and can be cost-competitive in the global marketplace. The applicant is evaluating alternative siting for this capital in Louisiana.

In summary, the ultimate determination for SEG to deploy capital to an investment pursuit depends on the project economics. In the case of the investment on this 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 the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for investment in Texas. The domestic and global industrial gas market is very competitive. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Description

The proposed Blue Bayou Ammonia Plant in Galveston County, Texas, would be able to produce "blue" ammonia from fracked natural gas while sequestering carbon dioxide underground. It would be built in four phases and designed to produce over 3 million metric tons of ammonia per year, which could be used in products such as fertilizers, plastics, or as a fuel for transportation and power generation.

Potential Emissions

The potential greenhouse gas emissions from this facility are unknown. Projects announced or authorized at **Blue Bayou Ammonia Plant** since 2012 have the potential to emit **0** tons of criteria air pollutants each year, according to government records.

Projects

Blue Bayou Ammonia - Phase 1

Project Description	Phase 1 of a four-phase project to construct the Blue Bayou Ammonia Plant.
Classification	New Other
Industry Sector	Synthetic Fertilizers Petrochemicals and Plastics
Project Type	Blue Ammonia
Operating Status	Announced
Actual or Expected Completion Year	2027
Project Cost (million $)	80
Number of Jobs Promised	25

Blue Bayou Ammonia - Phase 2

Project Description	Phase 2 of a four-phase project to construct the Blue Bayou Ammonia Plant.
Classification	New Synthetic Fertilizers
Industry Sector	Other Petrochemicals and Plastics
Project Type	Blue Ammonia
Operating Status	Announced

Actual or Expected Completion Year	2029
Project Cost (million $)	80
Number of Jobs Promised	25

Blue Bayou Ammonia - Phase 3

Project Description	Phase 3 of a four-phase project to construct the Blue Bayou Ammonia Plant. Phase 3 would involve building the facility's "blue" hydrogen plant, which would produce 1,500 million metric standard cubic feet per day (MMscf/d) of hydrogen from natural gas.
Classification	New Other
Industry Sector	Petrochemicals and Plastics Synthetic Fertilizers
Project Type	Blue Hydrogen
Operating Status	Announced
Actual or Expected Completion Year	2029
Project Cost (million $)	80
Number of Jobs Promised	25

Blue Bayou Ammonia - Phase 4

Project Description	Phase 4 of a four-phase project to construct the Blue Bayou Ammonia Plant.
Classification	New Other
Industry Sector	Synthetic Fertilizers Petrochemicals and Plastics
Project Type	Blue Ammonia
Operating Status	Announced
Actual or Expected Completion Year	2032
Number of Jobs Promised	Unknown

Permits

Other Permits

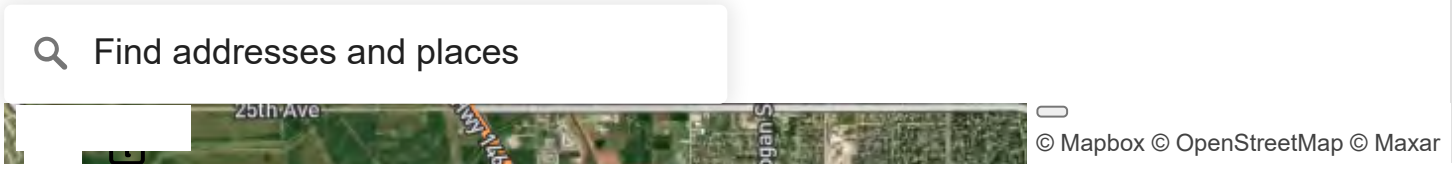
Other Permit No. or Docket ID	Texas City ISD No. 2066
Description or Purpose	This application would extend tax breaks to Blue Bayou Ammonia LLC.
Permit Status	Application Pending
Application Date	May 27, 2022
Final Permit Issuance Date	
Document(s)	2066-texas-blue-app - phase 1.pdf
Facility	Blue Bayou Ammonia Plant
Other Permit No. or Docket ID	Texas City ISD No. 2007
Description or Purpose	This application would extend tax breaks to Blue Bayou Ammonia LLC.
Permit Status	Application Pending
Application Date	May 27, 2022
Final Permit Issuance Date	
Document(s)	2007-texas-blue-app - phase 2.pdf
Facility	Blue Bayou Ammonia Plant
Other Permit No. or Docket ID	Texas City ISD No. 2067
Description or Purpose	This application would extend tax breaks to Blue Bayou Ammonia LLC.
Permit Status	Application Pending
Application Date	May 27, 2022
Final Permit Issuance Date	
Document(s)	2067-texas-blue-app - phase 3.pdf
Facility	Blue Bayou Ammonia Plant

Location and Demographics

The information below comes from the US Environmental Protection Agency's Environmental Justice Screening Tool. For more information about the location and demographic information on Oil & Gas Watch, visit About and Glossary. Please note that demographic estimates for areas with small populations are highly uncertain.

Demographic indicators

Environmental indicators



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NEWS

Starwood Energy invests in Gulf Coast Ammonia

January 8, 2020 in News (https://www.starwoodenergygroup.com/category/news/) ,Press Releases (https://www.starwoodenergygroup.com/category/news/press-releases/)

Gulf Coast Ammonia reaches Final Investment Decision on world-scale ammonia plant in Texas with Starwood Energy and Mabanaft as investors

TEXAS CITY, Texas, Jan. 8, 2020 /PRNewswire/ — Gulf Coast Ammonia LLC (GCA) announced today that it has closed on non-recourse project financing for its world-scale anhydrous ammonia plant in Texas on December 30, 2019. Construction capital will be provided by a joint venture of Starwood Energy Group Global LLC (Starwood Energy) and Mabanaft GmbH & Co. KG (Mabanaft). The facility will have a production capacity of approximately 1.3 million tons of ammonia per year and will purchase hydrogen and nitrogen gases as feedstock, providing for significant capital efficiency and reduced air emissions. Construction of the facility will begin in early 2020 with commissioning expected in the first half of 2023.

GCA's state-of-the-art facility will be located within an industrial chemical site in Texas City, Texas and will offer advantageous logistics with deep-water access and pipeline connectivity. Oiltanking North America (a sister company of Mabanaft) will own and operate the marine facilities. Using industry-leading and proven technology, the facility will be the world's largest single-train ammonia synthesis loop and will raise the bar in terms of the safe and efficient production and storage of ammonia.

GCA has secured long-term offtake contracts for the majority of its production capacity and long-term supply agreements for its feedstock.

Ken Koye, GCA's newly appointed CEO, said, "I am pleased to have played a leading role in advising on the commercial structuring and development of this significant addition to the development partners' business in North America. I look forward to delivering the completed project and associated infrastructure as a safe, reliable and responsible addition to the industrial base in Texas City. This new world-class facility will meet domestic and global demands for nitrogen-based fertilizers to improve crop production and yields to feed the world's growing population, as well as specialty chemical production on the Texas Gulf Coast."

"The facility and associated infrastructure will generate major economic benefits in Galveston County, including more than 40 permanent operations jobs and more than 1,000 construction jobs at peak," Koye added.

The project was initiated by Agrifos Partners LLC and brought to successful conclusion in collaboration with its joint venture development partners Mabanaft and Macquarie Capital. As of this closing, GCA is wholly owned by a joint venture of Mabanaft and Starwood Energy.

Tim Bullock, CEO of Mabanaft, said, "Mabanaft is very excited to be the operating partner of this project. This is a major strategic step for Mabanaft to grow and diversify our portfolio and establish a footprint in chemical growth markets, leveraging our group's network of world-class business partners. The joint venture between Starwood Energy and Mabanaft demonstrates Mabanaft's commitment to investment in North America and, more significantly, a milestone for Mabanaft's entry into the ammonia market backed by an equity-owned asset."

Himanshu Saxena, CEO of Starwood Energy, said, "GCA represents Starwood Energy's first investment in a highly contracted downstream / chemical development project. The shale gas revolution and resulting low prices of natural gas have allowed projects like this to benefit from the sustained arbitrage between the value of a global commodity and the cost of a local commodity. We believe that this opportunity provides a uniquely mitigated risk profile and allows us to leverage our expertise of managing complex development projects."

Philipp Pletka, Managing Director of Starwood Energy, added, "We are delighted to partner with Mabanaft in moving this project to construction stage. Once constructed, this will be a premium asset in this market. We look forward to exploring further opportunities in this sector."

Hamza Slimani, Vice President of Agrifos Partners and outgoing CEO of GCA, said, "We are proud to have worked with our development partners, Mabanaft and Macquarie Capital, to bring this project through the development phase and to see construction start. The GCA plant will be an important contributor to the world's supply of ammonia."

Nicholas Gole, Head of Americas Energy Principal Investments at Macquarie Capital, said, "Macquarie Capital is proud to have contributed its global leading infrastructure development capabilities to the structuring of this unique asset. We look forward to exploring further opportunities in the promising North American petrochemical sector." Macquarie Capital acted as co-sponsor, sole equity arranger, sole debt arranger and sole financial advisor on the transaction. Nicholas Gole, Alex Erlikh and Devin Blondes led the transaction, with assistance from Peter Zhu and Brian Callahan on the equity and debt arranging.

Vinson & Elkins represented GCA as project counsel and borrower's counsel and advised on all aspects of the development and financing of the project, including the negotiation of major commercial contracts and debt and equity financing agreements. The representation of GCA was led by Kaam Sahely and Alan Alexander, with assistance from Karen Smith and Creighton Smith on the debt and equity financing, along with a team of lawyers across the firm.

Starwood Energy was represented by King & Spalding as M&A/PE counsel. The representation was led by Jonathan Melmed along with Adam Hankiss and Brandon Dalling and a number of other attorneys located throughout the firm's offices.

Mabanaft was represented by Hogan Lovells US LLP as M&A/Projects counsel. The Hogan Lovells team was led by Greg Hill and included Lyndsay Montour David Locascio, and a number of other attorneys located throughout the firm's offices in the US and Germany.

Agrifos was represented by Seward & Kissel LLP as M&A counsel. The Seward & Kissel team was led by Craig Sklar and Nick Katsanos.

END

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Gulf Coast Ammonia LLC, an agricultural chemical manufacturing company, is developing a world-scale anhydrous ammonia facility in Texas City, Texas, USA.

Starwood Energy Group is a private equity investment firm based in Greenwich, CT that specializes in energy infrastructure investments. Through its existing general opportunity funds and affiliated investment vehicles, Starwood Energy manages total equity commitments of approximately $3.0 billion and has executed transactions totalling more than $7 billion in enterprise value. For more information, please visit www.starwoodenergygroup.com (https://urldefense.proofpoint.com/v2/url?u=https-3A__c212.net_c_link_-3Ft-3Do-

26l-3Den-26o-3D2684765-2D1-26h-3D1537505679-26u-3Dhttps-253A-252F-252Fstarwoodenergygroup.com-252F-26a-3Dwww.starwoodenergygroup.com&d=DwMGaQ&c=RWK6TajIZSBZ1qUThftx41g1TFs-S933lh3PvjtAhrI&r=toJv3DGqPoLv7RXCjmebt6OVdrSUCu4zcdHCaHaZC4s&m=5alqOBZ_aKZxURSdzM9ebjXGRGpWVaWJEdt58RCKjus&s=LbpTAqsM6kh7mP5vjPXEd1cLPHp3rdp6

Mabanaft GmbH & Co. KG is a subsidiary of Marquard & Bahls, an agile, independent holding company in the energy & chemical sector. As an international trading company with hubs in Germany, UK, USA and Singapore, Mabanaft concentrates on physical wholesale, supply and trading of petroleum products. Furthermore, the company is active in the operation of service stations, heating-oil retail, lubricants, bunker services and the trading of natural gas liquids and biofuels. For more information, please visit www.mabanaft.com (https://urldefense.proofpoint.com/v2/url?u=https-3A__c212.net_c_link_-3Ft-3Do-26l-3Den-26o-3D2684765-2D1-26h-3D395775617-26u-3Dhttp-253A-252F-252Fwww.mabanaft.com-252F-26a-3Dwww.mabanaft.com&d=DwMGaQ&c=RWK6TajIZSBZ1qUThftx41g1TFs-S933lh3PvjtAhrI&r=toJv3DGqPoLv7RXCjmebt6OVdrSUCu4zcdHCaHaZC4s&m=5alqOBZ_aKZxURSdzM9ebjXGRGpWVaWJEdt58RCKjus&s=MICoAom3KQUo7T4sWg_zAZPj1X4VUL

Macquarie Capital comprises Macquarie Group's corporate advisory, capital markets and principal investing capabilities. Macquarie Capital's expertise spans a variety of industry sectors including telecommunications, media, entertainment, gaming, financial institutions, industrials, energy, resources, real estate, infrastructure, utilities and renewables. For more information, visit www.macquarie.com/us (https://urldefense.proofpoint.com/v2/url?u=https-3A__c212.net_c_link_-3Ft-3Do-26l-3Den-26o-3D2684765-2D1-26h-3D3854551623-26u-3Dhttp-253A-252F-252Fwww.macquarie.com-252Fus-26a-3Dwww.macquarie.com-252Fus&d=DwMGaQ&c=RWK6TajIZSBZ1qUThftx41g1TFs-S933lh3PvjtAhrI&r=toJv3DGqPoLv7RXCjmebt6OVdrSUCu4zcdHCaHaZC4s&m=5alqOBZ_aKZxURSdzM9ebjXGRGpWVaWJEdt58RCKjus&s=050xPoSEu2m66bWxFiZkWBk-ymIJyTKmh8ooqz4bkOE&e=)

Agrifos Partners is a privately-owned development company with expertise in the fertilizer and agriculture sectors.

View Article (PDF) (https://www.starwoodenergygroup.com/wp-content/uploads/2020/01/2020.01.08-Gulf-Coast-Ammonia-reaches-Final-Investment-Decision-on-world-scale-ammonia-plant-in-Texas-with-Starwood-Energy-and-Mabanaft-as-investors.pdf)