

FY 2014-2015



Annual Economic Development Report

*A review of economic development projects in
La Porte during Fiscal Year 2014-2015*

PREPARED BY SCOTT D. LIVINGSTON, ECONOMIC DEVELOPMENT COORDINATOR



SAN JACINTO
MONUMENT with Industry
expansion in the
background.

TAKING ADVANTAGE OF GROWTH

by Scott D. Livingston, Economic
Development Coordinator
Photos by Steady Motion

Many of the industries in La Porte are taking advantage of the growth in the amount of oil and gas that is being extracted from domestic shale deposits.

Both domestic and international companies recognize that the increased supply of oil and gas decreases the price of oil and gas and makes it cost effective to build and/or expand petrochemical plants and refineries in Texas as opposed to overseas. Companies which refine petroleum, manufacture petroleum-based

products, manufacture specialty chemicals from petroleum and natural gas, and export natural gas are capitalizing on the increased supply of domestic oil and gas which is being extracted from the shale deposits through “fracking”.

Both domestic and international companies are investing hundreds of millions of dollars in projects to capitalize on this new opportunity. In Texas alone approximately **\$32-40 billion** worth of new projects are directly tied to the increases in the supply of oil and gas. Just this year alone in La Porte, ten industrial projects over **\$3.1 billion** in investment and **224** new full time jobs with benefits have already been announced or started construction. In addition, at least seven other projects have contributed an additional

investment of at least **\$35 million** and created at least another **230** full and part-time jobs. Other projects which are in the La Porte Independent School District, but are not in La Porte or La Porte’s Extra-Territorial Jurisdiction (ETJ), include an additional, estimated capital investment of **\$910 million** and **110** new employees.

La Porte’s economic development successes may be attributed to a working partnership of the City of La Porte, La Porte Independent School District, La Porte Development Corporation, La Porte Bayshore Chamber of Commerce, La Porte Tax Increment Reinvestment Zone, State of Texas, Harris County, Bay Area Houston Economic Partnership, Houston Port Region Economic Alliance, Greater Houston Partnership, and the Port of Houston Authority.

PROJECTS



ENHANCEMENT GRANT EXPANSION

In August 2015, the Board expanded the La Porte Enhancement Grant Program to include all businesses within the City of La Porte. Other changes were made to include parking lot improvements, a preference for local bidders, and elimination of the requirement to obtain multiple bids for eligible projects with a value less than \$2,000. For information regarding this revised program, please contact Scott D. Livingston in the City of La Porte's Office of Economic Development.

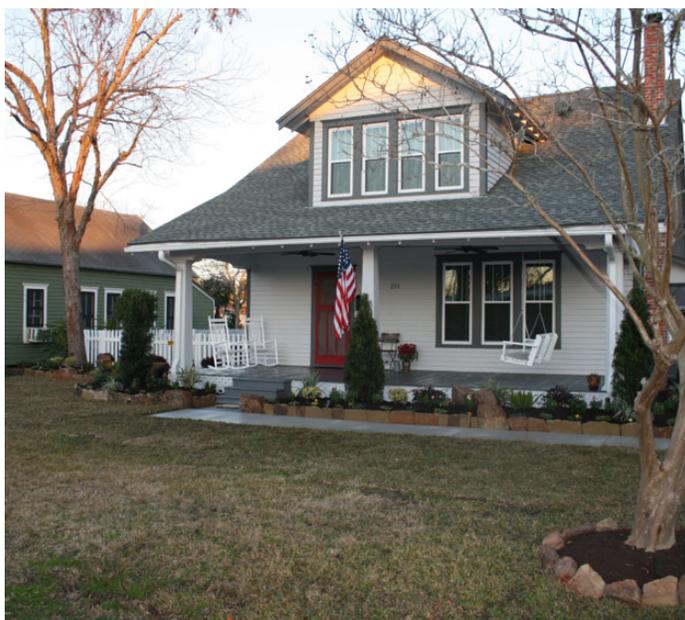


NEW HOMES

New homes are being constructed in La Porte as a result of action taken by the City Council and Board of the Tax Increment Reinvestment Zone (TIRZ). In 1999, the City of La Porte, La Porte Independent School District, and Harris County created a TIRZ to stimulate development in undeveloped areas of La Porte, minimize blight, and expand the tax base.

A new residential subdivision called Bayside Crossing on Sens Road, just north of Spencer Highway, contains lots for 73 homes.

The Lakes at Fairmont Green, south of Wharton Weems Blvd between SH 146 and S. Broadway, contains lots for 92 homes. The Retreat at Bay Forest, on the west side of S. Broadway both north and south of Wharton Weems Blvd., contains lots for 28 homes.



NEW SEWING RETREAT

Owners of a new business in La Porte called And Sew it Began at 211 S. 1st Street applied to the La Porte Development Corporation (LPDC) for a La Porte Enhancement Grant to renovate the building's exterior. After receiving approval from the Board of the LPDC to move forward with the project, the owners spent more than \$18,677 on projects including windows, fencing, lighting, irrigation, and landscaping. After submitting copies of invoices, paid receipts, and cancelled checks for all the completed projects, the Board of the LPDC approved an enhancement grant reimbursement to the company in the amount of \$9,338.94. For additional information on this new business, please visit their website at www.andsewitbegan.com.



LA PORTE PLAZA BEAUTIFIES HWY 146

Just a few years ago, the southwest corner of SH 146 and Spencer Hwy was the scene of a former Chevrolet dealership. Today, the site contains 45,000 square feet of new retail space called the La Porte Plaza. The new retail strip center includes Dollar Tree, Taqueria Arandas, and Goodwill Select, and a few spaces are available to accommodate some new tenants.



HAMPTON INN NEARING COMPLETION

A new 87 room Hamton Inn & Suites is scheduled to open soon! They are located just behind Candlewood Suites off of Fairmont Pkwy.





ACT TURBO RELOCATES TO LP

ACT Independent Turbo Services, Inc. (ACT) is a market leader in industrial gas turbine overhaul and repair. In order to keep up with the demand for its services, the company chose to relocate and consolidate all pieces of its business in La Porte. The LPDC gave the company an economic development incentive to assist ACT in the relocation of its main production facility and offices to La Porte. In return, ACT has committed to investing millions of dollars in new building construction and equipment and relocate 73 full time employees to La Porte. ACT offers competitive salary and benefits, and all full time employees are eligible to receive benefits that include generous insurance benefits (medical, vision, dental), 401(k) plan with matching program, disability & life insurance, profit sharing incentives, paid vacation and holidays.



EAGLE ENERGY RESOURCES ENHANCES FIVE POINTS

Eagle Energy Resources, LLC recently purchased the former “Alamo building” at 153 S. Broadway, and applied to the La Porte Development Corporation (LPDC) for a La Porte Enhancement Grant to renovate the building’s exterior. After receiving approval from the Board of the LPDC to move forward with the project, Eagle Energy Resources, LLC spent more than \$53,000 on projects including stucco work/façade repair, painting, doors, canopy work, exterior lighting, and installation of ornamental Texas stars. After submitting documentation for all the completed projects, the Board of the LPDC approved an enhancement grant reimbursement to the company in the amount of \$25,000.



EQUISTAR CHEMICALS, LP HAS SEVERAL PLANS TO EXPAND IN LA PORTE

Equistar Chemicals, LP is expanding its plant in La Porte by debottlenecking the ethane cracker. Three new cracking furnaces will be added to supply the debottlenecked facility with increased volumes of cracked gas. The project's objective is to produce 850MM pounds per year of incremental ethylene from ethane and will create 36 new jobs.

Equistar Chemicals, LP also plans to construct a new polyethylene unit at its existing manufacturing facility in La Porte. The project will create 25 new jobs and includes the design and construction of a 1 billion pound per year polyethylene unit along with related infrastructure and logistics. The plant will manufacture polyethylene resin, which is used in products such as plastic pipe, merchandise bags, milk jugs, food and beverage containers, household chemical and detergent bottles, pails and drums.



LINDE CONSTRUCTION COMPLETE

Linde North America recently finished constructing a state-of-the-art air separation unit (ASU), new gasification train, supporting equipment, and facilities in La Porte. The project also created 50 new, permanent jobs. The ASU will be the largest operated by Linde in the U.S., and the addition of a new gasification plant will create the world's largest gas-based partial oxidation complex for the production of syngas products for petrochemicals.

Oxygen and nitrogen produced by the new ASU will supply the gasification assets at the La Porte site. The new gasifier will convert natural gas into syngas and constituent products such as carbon monoxide, hydrogen and carbon dioxide, which are used to produce methanol, downstream chemicals and cleaner transportation fuels. The syngas products will be shipped by pipeline to key customers.

INEOS BREAKS GROUND

INEOS recently broke ground on an exciting new project that was the result of a joint venture between INEOS Olefins & Polymers USA and Sasol Base Chemicals. The joint venture is called Gemini HDPE, LLC and will be operated by INEOS. The investment will retain 313 jobs and create 30 new jobs in engineering, operations and maintenance. The company will pay each of its new employees 110% of the current wage rate for manufacturing jobs in the region, plus full benefits. The Gemini HDPE joint venture is a state-of-the-art High Density Polyethylene manufacturing line using INEOS Technologies' Innovene S HDPE technology. The line will leverage ethylene synergies from regional sites owned by INEOS and Sasol. When construction is finished in 2016, the new line will be the largest HDPE manufacturing line in the US, with a production capacity of nearly 1 billion pounds.



AIR LIQUIDE INVESTS MILLIONS



Last year, Air Liquide commissioned a new packaged gas facility on W. Fairmont Parkway on La Porte. The facility, located on the grounds of Air Liquide's existing industrial gas production complex, was designed and built with industry-leading technologies that enhance safety and optimize productivity, efficiency and reliability.

The facility center features an innovative automated system that blends and packages pure industrial gases produced on-site such as oxygen, nitrogen, hydrogen and rare gases, incorporating state-of-the-art technology to fill cylinders with enhanced precision and accuracy.

The products will be supplied to customers in a range of industries. Industrial and specialty gases are used for many applications, including research, analysis, process control, manufacturing, and many others. Air Liquide is very pleased to have longstanding support from the City of La Porte. Air Liquide's history in the area dates back to the mid-1960s, and today employs nearly 300 people at multiple facilities in La Porte and Pasadena.



BRASKEM BUILDING NEW PLANT

Brazilian plastics giant Braskem SA, the largest thermoplastics resins producer in the Americas, invested millions of dollars to build a plant in La Porte to make ultra-high molecular weight polyethylene (UHMWPE).

Braskem's UHMWPE products are produced under the trade name UTEC. The main advantages of UTEC are its excellent mechanical properties, such as high abrasion resistance, impact strength and low coefficient of friction. UTEC is a self-lubricating, high-strength, light-weight machinable product used for semi-finished goods. UTEC, which is eight times lighter than steel and lasts ten times longer than HDPE, is used in a vast array of applications in the following industries: construction, agriculture, automotive, textile, pulp and paper, food and beverage, coal and mining, high performance fibers, battery separators and waste water treatment.



LYONDELL ANNOUNCES PLANS TO EXPAND

The Lyondell Chemical Company announced plans to hire 25 new employees and build a world scale PO/TBA plant on the U.S. Gulf Coast with an annual capacity of 900 million pounds of propylene oxide (PO) and 2 billion pounds of tertiary butyl alcohol (TBA) and its derivatives. The plant is expected to sell PO in the global marketplace to meet growing demand for polyurethanes, which are used primarily for the manufacture of bedding, furniture, carpets and car seats. TBA and its derivatives will be sold to meet the need for high octane gasoline blending components as well as for use in manufacturing synthetic rubber and lubricant additives.

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PIPELINE GRILL OPENS LOCATION IN LA PORTE



By the end of November 2015, a new 9,000 square foot, community-focused, family-friendly restaurant called the Pipeline Grill is scheduled to open at 10003 Spencer Hwy, which is the location of the former Texans Sports Bar & Grill. The owners of the new restaurant already have a popular restaurant location on Garth Road in Baytown, TX, and they wanted to open a second location in La Porte. The owners are investing more than \$1.2 million to renovate the old, dilapidated building and turn it into an oil themed restaurant that serves American food surrounded by vintage and antique oil signs, gas pumps,

and other oil memorabilia. The restaurant will require 40 full time employees and 60 part time employees to staff the restaurant and provide its famous quality service to its customers. The restaurant will also service all of the restaurant chain's catering business to customers in the entire area surrounding the Houston Ship Channel. A private banquet room and private patio with seating for 75 people will also be available. For additional information about the Pipeline Grill, please visit www.pipelinegrill.com.

THE OAK CENTER MAKES NEW IMPROVEMENTS

Owners of the Oak Center at 1000 S. Broadway applied to the La Porte Development Corporation (LPDC) for a La Porte Enhancement Grant to renovate the building's exterior. After receiving approval from the Board of the LPDC to move forward with the project, the owners spent more than \$31,000 on projects including signage, paving, and landscaping. After submitting documentation for all the completed projects, the Board of the LPDC approved an enhancement grant reimbursement to the company in the amount of \$15,787.30.





SILURIA COMMERCIALIZING NEW TECHNOLOGY

San Francisco-based Siluria Technologies, Inc. is a pioneer in the commercial production of fuels and chemicals made from clean, abundant natural gas. The company recently started operations of a newly constructed demonstration unit at the Braskem chemical plant in La Porte to test a process called oxidative coupling, which uses a catalyst to produce the chemical building block ethylene from methane, the main component of natural gas.

The company also has a separate process, using another catalyst, to convert the ethylene it produces into gasoline and other transportation fuels. Siluria's break-through process technology is believed to be the first commercially viable process to directly convert methane to ethylene, potentially enabling natural gas to replace petroleum as the world-wide basis for drop-in fuels, chemicals and plastics.



NOLTEX, LLC & CITY RECEIVE AWARD FROM TEDC FOR OUTSTANDING COMMUNITY PARTNERSHIP



Noltex, LLC and the City of La Porte were co-recipients of an award from the Texas Economic Development Council (TEDC) for Outstanding Achievement in Community Economic Development. Noltex, LLC employs 120 full-time people in La Porte to manufacture an Ethylene Vinyl-Alcohol (EVOH) copolymer resin called "Soarnol", which used as a solvent barrier in automotive plastic fuel tanks and an oxygen barrier in food packaging to preserve the flavor and quality of packaged food for longer periods of time. Although Noltex, LLC is capable of constructing a new facility in many countries around the world, as well as numerous potential locations in the United States, it chose to construct the new facility in La Porte. (Contd. Last Page...)



NOLTEX, LLC & CITY RECEIVE AWARD FROM TEDC FOR OUTSTANDING COMMUNITY PARTNERSHIP

CONT'D FROM PAGE 10: In order to supply the increasing worldwide demand for its products, Noltex, LLC recently finished building a plant to produce an ethylene-vinyl alcohol co-polymer ("EVOH") with a production capacity of 15,000 metric tons of EVOH per annum in La Porte, Texas. The company plans to hire 25 new employees as part of its expansion. As compared with Manufacturing Jobs throughout the Greater Houston Area, Noltex, LLC pays its employees approximately 10% more in wages, plus it pays for at least 90% of the medical premiums and 100% of dental and basic life insurance premiums for its employees.



Noltex, LLC is an active supporter and participant of the La Porte Independent School District, La Porte Education Foundation (2013 Grant Committee Chair, 2014 President, Secretary), La Porte Bayshore Chamber of Commerce (Board Director, Chair of the Workforce Development Committee, Board Vice President, 8-10 volunteers for the annual Sylvan Beach Day Festival), La Porte Rotary Club, Kids Count Foundation, San Jacinto Museum of History, La Porte Plant Managers' Association, La Porte Citizens' Advisory Council, La Porte Emergency Planning Committee, East Harris County Manufacturers' Association (2014 Treasurer and Workforce Development Committee), and Texas Chemical Council.



Noltex, LLC recently received awards from the Texas Chemical Council for each of the following: Caring for Texas, which is presented to facilities to recognize their performance in community awareness, emergency response, security, and pollution prevention, Best in Texas (2014), among companies with fewer than 200 employees, for its outstanding safety record and commitment to improving safety, Distinguished Safety Service, Zero Incident Rate, and (5) Zero Contractor Incident Rate.

