

TEDC 2023 CEDA APPLICATION

All Applications Must Be Received by August 25, 2023

The 2023 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000 _____
- Population 10,001 to 20,000 _____
- Population 20,001 to 50,000 _____
- Population 50,001 to 100,000 _____
- Population 100,001 to 250,000 _____
- Population 250,001 and above _____

NOMINATION:

Name of Community: _____

TEDC Member Name: _____ (individual member, not organization)

Telephone #: _____

Email Address: _____

Community Population (as currently marketed): _____

Application Submitted By: _____

Email Address: _____

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____

Chevron Phillips Chemical \$8 Billion Golden Triangle Polymers Facility

More than six years ago, Chevron Phillips took interest in Orange County, recognizing an opportunity to build upon its legacy and expand its footprint along the Gulf Coast, capitalizing on the developing polyethylene market. The availability of competitive feedstocks in the region and growing worldwide demand for its products supports their initiative to develop a world scale facility in Orange County. The existing Chevron Phillips Chemical site has been a fixture in Orange County since its construction by Spencer Chemicals in 1954. Gulf Oil, a predecessor of CP Chem, purchased the facility in 1963, and since that time, CP Chem and its employees, have been integral members of this community. In November 2022, Chevron Phillips Chemical and QatarEnergy officially announced their decision to construct their new \$8 Billion 1,700 acre facility in Orange County.

The Orange County Economic Development Corporation, elected officials, Orange County businesses, property owners and citizens have worked tirelessly to recruit CP Chem's investment to Orange County. Projects of this size and magnitude do not happen overnight. They do not happen in a year. And sometimes they don't even happen in a lifetime. But we have an opportunity to change the landscape of Orange County for generations, and that opportunity will only turn to success with a thoughtful and wholistic approach to economic development.

An estimated \$8 billion will be spent on the improvements in Orange County. This includes \$60 million in land cost, \$50 million on business personal property and \$100 million on taxable inventories. Construction of the project began in 2020 and the plant is expected to begin operations in 2026. The construction phase of the project will create as many as 4,500 construction job opportunities. When completed, CP Chem will employ no less than 500 permanent workers with average annual salaries of \$100,000, amounting to an annual payroll of \$50M.

A Chapter 312 tax abatement agreement was approved by Orange County Judge and Commissioners for a period of 10 years at 100% abatement on the eligible improved value. In order to apply for economic development incentives, Orange County requires an abatement

application from the company identifying the nature of the project as well as the location on which the project would be located, an independent third-party economic impact study, and a \$1000 application fee. The application and impact study are reviewed by the executive board of the EDC as well as Commissioner's Court, in closed sessions, to ensure the confidentiality of the project and competitive nature of the site selection process. Estimated taxable value to be added to the rolls prior to the start of the abatement (January 1, 2024) and remain on the rolls during the term of the abatement is \$400 to \$600M.

The total economic output to be generated in the area from Chevron Phillips operations over the first 20 years is over \$51B. Direct net benefits to the County during that same period is over \$170M. Estimated total payments to West Orange Cove CISD from CP Chem and new residents is more than \$515M. And even though the majority of the investment is located in WOCCISD, Bridge City ISD will recognize as much as \$100M in additional value. The City of Orange, Drainage District, Port, all communities will see net benefits. Estimated taxable spending during the construction of the facility is more than \$206M which includes the purchase of construction materials as well as direct and indirect construction worker spending.

Critical in the negotiation of this agreement was opportunity for local suppliers, contractors and employment. CP CHEM agrees to give preference and priority to qualified local manufacturers, suppliers, vendors, subcontractors and labor. They've agreed to assist qualified local subcontractors in being added to the Approved Vendor List and to participate in job fairs seeking local labor to be conducted by CP CHEM. They've agreed to report and certify quarterly the total number of dollars spent on local labor, local subcontractors and local vendors/suppliers in connection with the Project. As a result of the joint efforts to utilize local sourcing, the economic impact of direct, indirect and induced revenues for businesses in the area total over \$5B during the construction phase.

Aside from capital advantages, Chevron Phillips Chemical is assisting with Orange County infrastructure needs. Their site drainage plan accounts for not only their own runoff to ensure zero impact to the system but has been designed to improve existing drainage infrastructure. And October 2012, the City of West Orange was notified it was awarded a \$5M grant from the

Economic Development Administration to support the design and construction of a new wastewater treatment plant. These funds were secured by leveraging Chevron Phillips's interest in siting their investment in Orange County.

And while the financial impact this project will have on our community is immense, it is important to mention the goodwill benefits Chevron Phillips participates in as a company. In Orange County already, they have contributed over \$100,000 in disaster recovery funds. They are an annual contributor to the United Way campaign. Chevron Phillips has sponsored many community events such as charitable golf tournaments, Salvation Army Christmas and more. And in other communities in which they are making investments, Chevron Phillips has donated park benches and made significant investments in the school district's career and technical education programs.

In addition, induced revenues, jobs and salaries will be created and supported in new or existing businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families. Construction workers will have \$85,000 in estimated average annual salaries. This construction activity at the facility will pump money into the area's economy including generating taxable sales and sales taxes for the City and County. Contractors in the area will work on the project and they will hire workers and pay salaries. Plus, this activity will create and support spin-off or indirect and induced revenues, jobs and salaries in other businesses in the area. There are soon to be many opportunities to consciously approach this development with optimism and consideration of how we may leverage Chevron Phillips's investment in Orange County to advance the community's long term needs.

Local First Initiative: Orange County has a long history of supporting business growth in the region. In order to expand their current economic development program to include the Golden Triangle Polymers Project, Golden Triangle Polymers donated \$200,000 to Orange County to manage the Local First program for the small-business community. Orange County will work closely with the Orange County Economic Development Corporation (EDC) to see this program through.

- Collaboration with established, trusted organizations in Orange County, Texas to ensure local sourcing remains a priority.
- Free, public job and vendor/supplier fairs with representation from companies associated with the project.
- Pre-qualification and online application assistance for local small businesses, as well as resource referrals to those who do not meet qualification standards.
- Assistance for job seekers who need resume screening, online application help, and referral to local education institutions if additional training or certification is needed.
- Local First is not a guarantee that workforce and/or vendors and suppliers will only come from Orange County, Texas. Our goal is to help workers and businesses located in Orange County, Texas become aware of opportunities for work associated with the Golden Triangle Polymers Company construction project, as well as spearhead public events and public communications to assist local companies and the local workforce in putting their best foot forward when competing for work.

Project Specs & Details

<https://www.goldentrianglepolymers.com/project-overview>

“We are thrilled to receive this announcement from Chevron Phillips Chemical! The growth and economic impact that a project of this magnitude will have on Orange County and the region is unmatched. We look forward to continuing our efforts with Chevron Phillips Chemical and Golden Triangle Polymers, and seeing this project through to the finish line.” – Megan Layne, Executive Director, Orange County Economic Development Corporation.