

STEEL DYNAMICS-Sinton,Texas
SUMMARY REVIEW

Steel Dynamics Inc. announced that a site outside of Sinton, TX in the Corpus Christi region was the chosen location for its new \$1.9 billion, 600 job steel mill project on July 23, 2019 and will be the largest steel mill in Texas when completed.

The Corpus Christi region was selected after an intense competition with other sites in Texas, Louisiana, and New Mexico that were under consideration and represents the recent resurgence in manufacturing in the U.S.

This project represents an astonishing confluence of strategic, targeted, precise economic development work, as we identified the opportunity for growth into the steel sector, actively pursued manufacturers considering projects through steel supply chain companies, identified sites that met the criterion and collaborated with local and state governing entities to amplify their viability, consolidated political and local citizenry's support, and ultimately secured a huge win for our region.

The facility is anticipated to have an annual production capacity of approximately 3.0 million tons with the capability to produce the latest generation of Advanced High Strength Steel products. The project will include value-added finishing lines, including a galvanizing line with an annual capacity of 450,000 tons, and a paint line with an annual coating capacity of 250,000 tons. The product offering is anticipated to include various flat roll steel products, including hot roll, cold roll, galvanized, Galvalume® and painted steel, primarily serving the energy, automotive, construction, and appliance sectors. The current estimated investment is \$1.9 billion, with anticipated direct job creation of 600- 800 well-paying positions and numerous opportunities for indirect job growth from other support service providers.

Steel Dynamics confirmed that the mill is meant to facilitate the company's access to three key regional markets: northern and mid-central Mexico, the West Coast, as well as Texas, Arkansas, Oklahoma and Louisiana; regions in which steel demand is expected to rise significantly in the near future.

In 2016, CCREDC did a Target Industry Analysis by Newmark, Knight and Frank that helped us build the case for supporting a major Electric Arc Furnace Steel manufacturer and enhance our economic diversification. CCREDC has been actively meeting with major companies in the steel industry since 2016, and we were able to meet with Steel Dynamics, Inc. as part of these efforts. CCREDC was impressed by the company's commitment to good corporate citizenship, its environmental leadership and its focus on caring for employees. We are proud to have been able to work with SDI to help identify the site, assist the company and local governments in structuring a mutual-win incentive package, and support SDI in reaching its decision to locate here. This is a wonderful employer that will have a major positive impact that will be felt throughout the Coastal Bend region.

The Corpus Christi region as a whole is experiencing a manufacturing renaissance, with over \$52 billion in announced capital expenditure on industrial projects in the last decade.

The impact for the city nearest the project will be transformational. Sinton, Texas has experienced flat population and job growth for the last four decades, and adding these high wage jobs will spur a flurry of economic development that is unprecedented for the town.

Of exceptional note: the additional employment opportunities this project will present is that at least nine other companies will co-locate with them on the site for an estimated additional 1,000 additional jobs with one already announcing in June 2020 (JM Steel, 50 jobs).

"We are extremely excited to announce our selection of Sinton as the site for our next-generation, new flat roll steel mill investment," said Mark. D. Millett, President and Chief Executive Officer. "We are eager to join the Sinton community, and we appreciate the warm welcome and support that we have received from them, Governor Abbott and the State of Texas, as well as local leaders from San Patricio County, the City of Sinton, and the Sinton Independent School Board. We thank them for their trust, shared vision, and support for this important strategic investment. We anticipate the project will create approximately 600 well-paying positions, and abundant opportunities for indirect job growth from customers and other support service providers, bringing meaningful economic growth to the surrounding communities."

The economic impact of this project was detailed in a report by Impact Datasource based in Austin Texas.

In summary, the economic impact from the project is estimated to create over 3,600 direct and indirect jobs over the next ten years (construction and operations) with over \$192 million in net, new taxes to local governments and school districts and over \$48 million to the State of Texas. Groundbreaking on the project was in November of 2019 and construction has already begun on the site. Completion is anticipated in July 2021. (report available upon request)

An innovative combination of tax incentives that greatly benefits Sinton ISD and the other taxing entities was devised by CCREDC (Chapter 312, 313, TEF), which pleased both the company and local residents, as it reduced the tax burden while at the same time keeping monies paid in the local community to support the governing entities directly affected by the need for growth and infrastructure that accompanies a project of this magnitude.

About CCREDC: Corpus Christi Regional Economic Development Corporation (CCREDC) is a not-for-profit company that receives public and private investment to carry out its mission of business recruitment and business retention for the Coastal Bend region.

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