



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 08, 2016

Dr. Suzanne J. Nelson  
Superintendent  
Tuloso-Midway Independent School District  
9760 La Branch  
Corpus Christi, Texas 78460-0900

Dear Superintendent Nelson:

On May 20, 2016, the Comptroller issued written notice that CCI Corpus Christi, LLC (the applicant) submitted a completed application (Application #1135) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on April 22, 2016, to the Tuloso-Midway Independent School District (the 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.
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 #1135.

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.

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<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

**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 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).

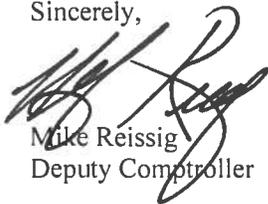
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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 May 20, 2016, 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 Korry Castillo, Director, Data Analysis & Transparency, by email at [korry.castillo@cpa.texas.gov](mailto:korry.castillo@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Korry Castillo

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of CCI Corpus Christi, LLC (the project) applying to Tulosso-Midway Independent School District (the 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 CCI Corpus Christi, LLC.

Applicant	CCI Corpus Christi, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Tulosso-Midway ISD
2014-15 Enrollment in School District	3,659
County	Nueces
Proposed Total Investment in District	\$400,000,000
Proposed Qualified Investment	\$400,000,000
Limitation Amount	\$80,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	5
Average weekly wage of qualifying jobs committed to by applicant	\$1,105.08
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,105.08
Minimum annual wage committed to by applicant for qualified jobs	\$57,464
Minimum weekly wage required for non-qualifying jobs	\$877.75
Minimum annual wage required for non-qualifying jobs	\$45,643
Investment per Qualifying Job	\$16,000,000
Estimated M&O levy without any limit (15 years)	\$53,694,738
Estimated M&O levy with Limitation (15 years)	\$25,471,211
Estimated gross M&O tax benefit (15 years)	\$28,223,527

**Table 2** is the estimated statewide economic impact of CCI Corpus Christi, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	50	51	101	\$2,500,000	\$4,800,000	\$7,300,000
2019	77	192	269	\$3,915,926	\$20,084,074	\$24,000,000
2020	30	362	392	\$1,664,815	\$40,235,185	\$41,900,000
2021	30	441	471	\$1,664,815	\$50,035,185	\$51,700,000
2022	30	491	521	\$1,664,815	\$58,235,185	\$59,900,000
2023	30	518	548	\$1,664,815	\$64,835,185	\$66,500,000
2024	30	534	564	\$1,664,815	\$70,535,185	\$72,200,000
2025	30	540	570	\$1,664,815	\$75,435,185	\$77,100,000
2026	30	543	573	\$1,664,815	\$80,035,185	\$81,700,000
2027	30	546	576	\$1,664,815	\$84,535,185	\$86,200,000
2028	30	549	579	\$1,664,815	\$89,135,185	\$90,800,000
2029	30	553	583	\$1,664,815	\$93,935,185	\$95,600,000
2030	30	553	583	\$1,664,815	\$98,235,185	\$99,900,000
2031	30	557	587	\$1,664,815	\$101,935,185	\$103,600,000
2032	30	562	592	\$1,664,815	\$105,835,185	\$107,500,000
2033	30	569	599	\$1,664,815	\$110,135,185	\$111,800,000

Source: CPA, REMI, CCI Corpus Christi, LLC

**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 <sup>1</sup>	Tuloso-Midway ISD I&S Tax Levy	Tuloso-Midway ISD M&O Tax Levy	M&O and I&S Tax Levies	Nueces County Tax Levy	Del Mar College Tax Levy	Nueces Hospital Tax Levy	Estimated Total Property Taxes
				0.2718	1.1056		0.3129	0.1298	0.2481	
2019	\$118,750,000	\$118,750,000		\$322,763	\$1,312,900	\$1,635,663	\$371,602	\$154,078	\$294,583	\$2,455,926
2020	\$374,544,100	\$374,544,100		\$1,018,011	\$4,140,960	\$5,158,970	\$1,172,053	\$485,971	\$929,132	\$7,746,126
2021	\$365,225,100	\$365,225,100		\$992,682	\$4,037,929	\$5,030,611	\$1,142,892	\$473,880	\$906,014	\$7,553,396
2022	\$356,138,400	\$356,138,400		\$967,984	\$3,937,466	\$4,905,450	\$1,114,457	\$462,090	\$883,473	\$7,365,469
2023	\$347,278,200	\$347,278,200		\$943,902	\$3,839,508	\$4,783,410	\$1,086,731	\$450,593	\$861,493	\$7,182,227
2024	\$338,638,700	\$338,638,700		\$920,420	\$3,743,989	\$4,664,409	\$1,059,695	\$439,384	\$840,061	\$7,003,550
2025	\$330,214,700	\$330,214,700		\$897,524	\$3,650,854	\$4,548,377	\$1,033,334	\$428,454	\$819,164	\$6,829,329
2026	\$322,000,600	\$322,000,600		\$875,198	\$3,560,039	\$4,435,236	\$1,007,630	\$417,796	\$798,787	\$6,659,449
2027	\$313,991,300	\$313,991,300		\$853,428	\$3,471,488	\$4,324,916	\$982,567	\$407,404	\$778,918	\$6,493,805
2028	\$306,181,600	\$306,181,600		\$832,202	\$3,385,144	\$4,217,345	\$958,128	\$397,271	\$759,545	\$6,332,289
2029	\$298,566,500	\$298,566,500		\$811,504	\$3,300,951	\$4,112,455	\$934,298	\$387,390	\$740,654	\$6,174,797
2030	\$291,141,300	\$291,141,300		\$791,322	\$3,218,858	\$4,010,180	\$911,063	\$377,756	\$722,234	\$6,021,233
2031	\$283,901,000	\$283,901,000		\$771,643	\$3,138,809	\$3,910,452	\$888,406	\$368,362	\$704,273	\$5,871,493
2032	\$276,841,200	\$276,841,200		\$752,454	\$3,060,756	\$3,813,211	\$866,314	\$359,201	\$686,760	\$5,725,486
2033	\$269,957,400	\$269,957,400		\$733,744	\$2,984,649	\$3,718,393	\$844,772	\$350,270	\$669,683	\$5,583,119
2034	\$263,245,100	\$263,245,100		\$715,500	\$2,910,438	\$3,625,938	\$823,768	\$341,561	\$653,032	\$5,444,298
			<b>Total</b>	<b>\$13,200,280</b>	<b>\$53,694,738</b>	<b>\$66,895,018</b>	<b>\$15,197,709</b>	<b>\$6,301,458</b>	<b>\$10,038,330</b>	<b>\$83,689,088</b>

Source: CPA, CCI Corpus Christi, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Nueces 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 and tax abatements with the county and Del Mar College.

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Tuloso-Midway ISD I&S Tax Levy	Tuloso-Midway ISD M&O Tax Levy	M&O and I&S Tax Levies	Nueces County Tax Levy	Del Mar College Tax Levy	Nueces Hospital Tax Levy	Estimated Total Property Taxes	
				<b>0.2718</b>	<b>1.1056</b>		<b>0.3129</b>	<b>0.1298</b>	<b>0.2481</b>		
2019	\$118,750,000	\$118,750,000		\$322,763	\$1,312,900	\$1,635,663	\$185,801	\$77,039	\$294,583	\$1,898,503	
2020	\$374,544,100	\$80,000,000		\$1,018,011	\$884,480	\$1,902,491	\$586,027	\$242,985	\$929,132	\$2,731,503	
2021	\$365,225,100	\$80,000,000		\$992,682	\$884,480	\$1,877,162	\$571,446	\$236,940	\$906,014	\$2,685,547	
2022	\$356,138,400	\$80,000,000		\$967,984	\$884,480	\$1,852,464	\$1,114,457	\$462,090	\$883,473	\$3,429,011	
2023	\$347,278,200	\$80,000,000		\$943,902	\$884,480	\$1,828,382	\$1,086,731	\$450,593	\$861,493	\$3,365,706	
2024	\$338,638,700	\$80,000,000		\$920,420	\$884,480	\$1,804,900	\$1,059,695	\$439,384	\$840,061	\$3,303,979	
2025	\$330,214,700	\$80,000,000		\$897,524	\$884,480	\$1,782,004	\$1,033,334	\$428,454	\$819,164	\$3,243,791	
2026	\$322,000,600	\$80,000,000		\$875,198	\$884,480	\$1,759,678	\$1,007,630	\$417,796	\$798,787	\$3,185,103	
2027	\$313,991,300	\$80,000,000		\$853,428	\$884,480	\$1,737,908	\$982,567	\$407,404	\$778,918	\$3,127,879	
2028	\$306,181,600	\$80,000,000		\$832,202	\$884,480	\$1,716,682	\$958,128	\$397,271	\$759,545	\$3,072,080	
2029	\$298,566,500	\$80,000,000		\$811,504	\$884,480	\$1,695,984	\$934,298	\$387,390	\$740,654	\$3,017,672	
2030	\$291,141,300	\$291,141,300		\$791,322	\$3,218,858	\$4,010,180	\$911,063	\$377,756	\$722,234	\$5,298,999	
2031	\$283,901,000	\$283,901,000		\$771,643	\$3,138,809	\$3,910,452	\$888,406	\$368,362	\$704,273	\$5,167,220	
2032	\$276,841,200	\$276,841,200		\$752,454	\$3,060,756	\$3,813,211	\$866,314	\$359,201	\$686,760	\$5,038,726	
2033	\$269,957,400	\$269,957,400		\$733,744	\$2,984,649	\$3,718,393	\$844,772	\$350,270	\$669,683	\$4,913,435	
2034	\$263,245,100	\$263,245,100		\$715,500	\$2,910,438	\$3,625,938	\$823,768	\$341,561	\$653,032	\$4,791,266	
				<b>Total</b>	<b>\$13,200,280</b>	<b>\$25,471,211</b>	<b>\$38,671,491</b>	<b>\$13,854,435</b>	<b>\$5,744,494</b>	<b>\$12,047,805</b>	<b>\$58,270,420</b>
				<b>Diff</b>	<b>\$0</b>	<b>\$28,223,527</b>	<b>\$28,223,527</b>	<b>\$1,343,273</b>	<b>\$556,964</b>	<b>-\$2,009,475</b>	<b>\$25,418,667</b>

Source: CPA, CCI Corpus Christi, LLC

<sup>1</sup>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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that CCI Corpus Christi, LLC (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)
<b>Limitation Pre-Years</b>	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$1,312,900	\$1,312,900	\$0	\$0
<b>Limitation Period (10 Years)</b>	2017	\$884,480	\$2,197,380	\$3,256,480	\$3,256,480
	2018	\$884,480	\$3,081,860	\$3,153,449	\$6,409,928
	2019	\$884,480	\$3,966,340	\$3,052,986	\$9,462,914
	2020	\$884,480	\$4,850,820	\$2,955,028	\$12,417,942
	2021	\$884,480	\$5,735,300	\$2,859,509	\$15,277,452
	2022	\$884,480	\$6,619,780	\$2,766,374	\$18,043,825
	2023	\$884,480	\$7,504,260	\$2,675,559	\$20,719,384
	2024	\$884,480	\$8,388,740	\$2,587,008	\$23,306,392
	2025	\$884,480	\$9,273,220	\$2,500,664	\$25,807,056
	2026	\$884,480	\$10,157,700	\$2,416,471	\$28,223,527
<b>Maintain Viable Presence (5 Years)</b>	2027	\$3,218,858	\$13,376,558	\$0	\$28,223,527
	2028	\$3,138,809	\$16,515,368	\$0	\$28,223,527
	2029	\$3,060,756	\$19,576,124	\$0	\$28,223,527
	2030	\$2,984,649	\$22,560,773	\$0	\$28,223,527
	2031	\$2,910,438	\$25,471,211	\$0	\$28,223,527
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2032	\$2,838,075	\$28,309,286	\$0	\$28,223,527
	2033	\$2,767,516	\$31,076,802	\$0	\$28,223,527
	2034	\$2,698,713	\$33,775,515	\$0	\$28,223,527
	2035	\$2,631,627	\$36,407,142	\$0	\$28,223,527
	2036	\$2,566,210	\$38,973,352	\$0	\$28,223,527
	2037	\$2,502,425	\$41,475,777	\$0	\$28,223,527
	2038	\$2,440,228	\$43,916,005	\$0	\$28,223,527
	2039	\$2,379,582	\$46,295,587	\$0	\$28,223,527
	2040	\$2,320,445	\$48,616,032	\$0	\$28,223,527
	2041	\$2,262,782	\$50,878,814	\$0	\$28,223,527

<b>\$50,878,814</b>	is greater than	<b>\$28,223,527</b>
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<b>Analysis Summary</b>	
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

Source: CPA, CCI Corpus Christi, LLC

**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 CCI Corpus Christi, LLC’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 CCI Corpus Christi, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “CCI is considering locating the project on a portion of its owned property at Port Nickel in Plaquemines Parish, Louisiana.”
  - B. “Without the Chapter 313 property tax value limit, CCI can turn its investment and project development to another project in another state where the economics of the project meet the company’s investment and economic objectives.”
  - C. “No construction contracts have been entered to construct the proposed project” and “CCI may terminate the [current] lease should it decide not to construct the project.”
- Pursuant to the attached *LAW360* article, dated September 15, 2014, the applicant has obtained a “greenhouse gas prevention of significant deterioration” construction permit that allows “CCI Corpus Christi, LLC to start construction on a 100,000-barrel-a-day condensate splitter facility and a bulk petroleum export terminal near Corpus Christi in Nueces County.”
- The applicant also provided additional confidential materials enumerating the benefits of the Louisiana offer and an economic factor comparison of the Corpus Christi and Port Nickle, LA sites.
- Attached map indicates the location of the project in relation to existing NGL 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 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

**TAB 5**

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

CCI Corpus Christi LLC's parent company, Castleton Commodities International is an established global commodities merchant and is evaluating energy investment developments in multiple states. The decision to invest in a particular state depends on the economics of the investment in each state. In the case of the investment in the project in Nueces County, the investment is based on a variety of financial issues, including the ability to obtain relief regarding local property taxes that make this investment meet certain economic requirements. Obtaining the local property tax abatements and valuation limitations is part of that necessary economic analysis. The energy commodities market is very competitive. Without the Chapter 313 property tax value limit, CCI can turn its investment and project development to another project in another state where the economics of the project meet the company's investment and economic objectives.

CCI has received Chapter 312 tax abatement agreements from Nueces County and Del Mar College.

CCI has received all the major permits required in order to begin construction on the facility, including air emissions permits from the United States Environmental Protection Agency ("EPA") and Texas Commission on Environmental Quality ("TCEQ").

No construction contracts have been entered to construct the proposed project. CCI is party to a long-term lease agreement with the Port of Corpus Christi Authority for 83.37 acres on the Corpus Christi ship channel. Pursuant to the lease agreement, CCI may terminate the lease should it decide not to construct the project. CCI is considering locating the project on a portion of its owned property at Port Nickel in Plaquemines Parish, Louisiana. CCI has discussed the Industrial Tax Exemption ("ITE") with Louisiana Economic Development and is waiting on an offer letter from the state. Louisiana Economic Development has already offered significant tax incentives for another project at its Port Nickel site. CCI has enough land to construct the splitter at Port Nickel in addition to the other project that has received incentives from Louisiana.

An economic factor comparison of the Corpus Christi and Port Nickel, LA sites is confidential as are the details of the offer from Louisiana Economic Development. These items are submitted under separate cover.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

# EPA Greenlights \$500M Texas Petroleum Plant

By **Linda Chiem**

Law360, New York (September 15, 2014, 6:44 PM ET) -- The U.S. Environmental Protection Agency announced Monday that it has given the green light to CCI Corpus Christi LLC to start construction on a \$500 million petroleum processing facility near Corpus Christi, Texas.

The EPA issued a final “greenhouse gas prevention of significant deterioration” construction permit allowing CCI Corpus Christi to start construction on a 100,000-barrel-a-day condensate splitter facility and a bulk petroleum export terminal near Corpus Christi in Nueces County.

The bulk terminal will include storage tanks and barge loading operations that can handle 500,000 barrels a day of crude condensate for export, the EPA said. In addition to being exported, the company also plans to use the crude condensate to produce diesel, jet fuel, naphtha, and other petroleum products.

“Climate change contributes to many types of challenges, especially for coastal areas like Corpus Christi,” EPA Regional Administrator Ron Curry said in a statement. “Helping businesses minimize their greenhouse gas emissions will help protect these communities from dangers such as increased flooding and storms.”

The facility is among the numerous projects subject to the EPA’s national greenhouse gas regulations, which require an air permit for those projects starting after Jan. 2, 2011, that increase greenhouse gas emissions substantially and set long-term goals for emissions reduction.

The EPA Clean Power Plan would reduce greenhouse gas emissions from existing coal-fired power plants and other stationary sources by 30 percent in the coming decades. The

agency is giving states a 10- to 15-year window to achieve carbon reductions, which could come from expanding renewable energy generation capacity, investing in infrastructure upgrades and energy efficient programs or cap-and-trade programs, among other options.

However, the plan has come under heavy fire from the business sector and some state regulators, who have said the plan is unworkable for states.

Last week, several state regulators **told a U.S. House of Representatives panel** that the Obama administration's plan to slash carbon emissions from existing power plants places unrealistic reduction goals on states that could threaten electric grid reliability.

The EPA has said that states are best equipped to run greenhouse gas air permitting programs. Texas is working to replace the federal implementation plan with its own state program, which will eliminate the need for businesses to seek air permits from the EPA.

The EPA has finalized 52 greenhouse gas permits in Texas, proposed an additional four permits, and currently has 12 additional greenhouse gas permits in development in Texas.

--Additional reporting by Keith Goldberg. Editing by Kelly Duncan.

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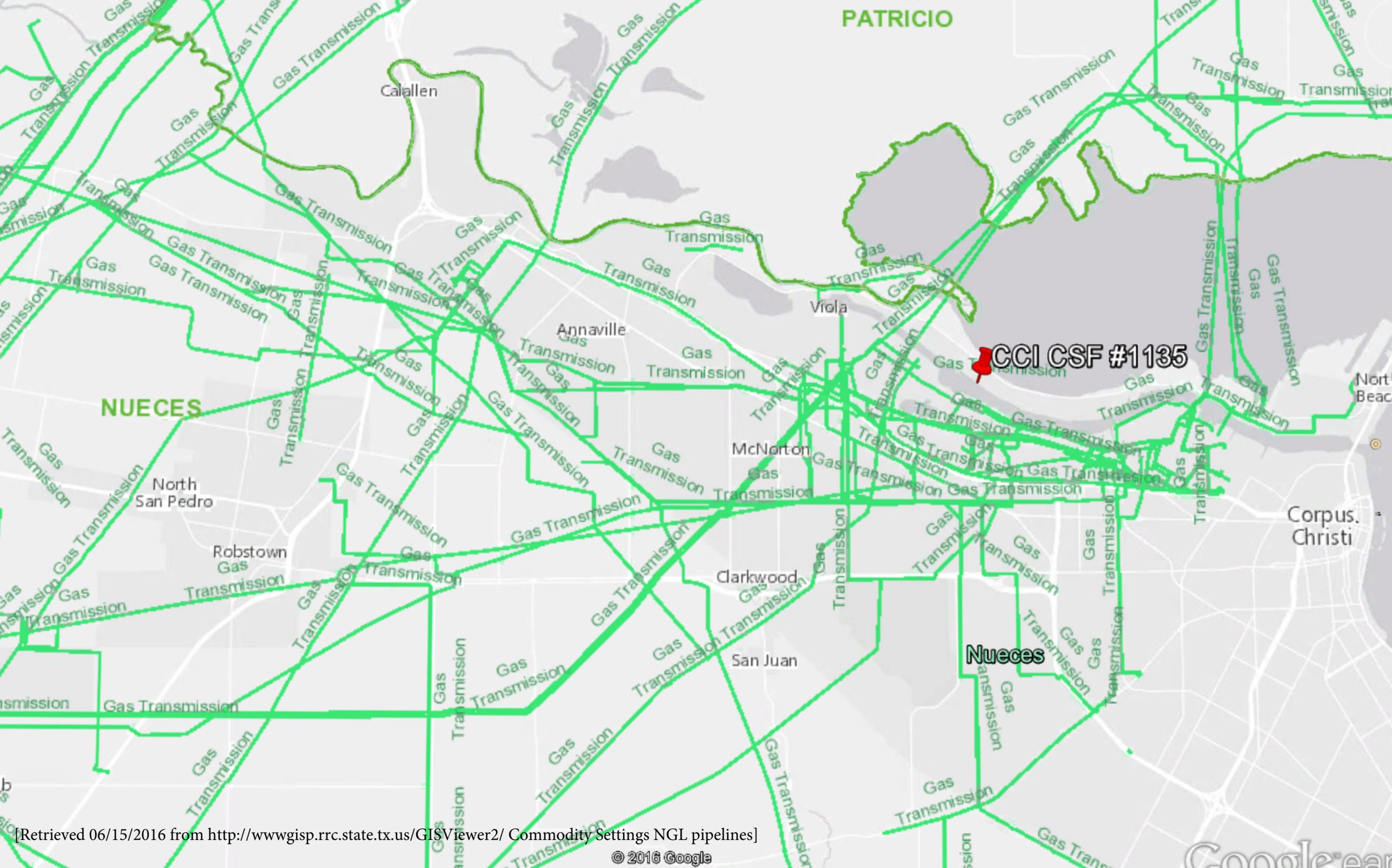
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