



## 2017 SWLA Projects Report: Detailed 08.18.17

*Compiled by the Southwest Louisiana Economic Development Alliance, this report reflects projects that are still active or not completed as of August 1, 2017. Some of these projects may have been announced or started in prior years. Where information is available, we have included the history and stage of the project. All information in this report is either provided by the company themselves, from LED Fastlane, IMCAL, or from press releases provided through media. This is not an exhaustive list of all projects in SWLA as some companies are in phases where they are not ready to publicly share information about their projects.*

### **Southwest Louisiana Task Force for Growth & Opportunity (GO Group)**

The Southwest Louisiana Task Force for Growth and Opportunity (GO Group), formed in early 2013, is focused on developing strategies to ensure the successful implementation of planned economic development projects for Southwest Louisiana. It was formed by local community leaders, stakeholders, and elected officials to identify the various socioeconomic issues involved with such projects.

The GO Group aims to assist local governmental agencies in planning, policy development, and implementation of a strategic plan that identifies the short-term and long-term preparation and response actions necessary to achieve the economic and social benefits from the successful implementation of the announced economic development projects; to address the multiple related issues; and to also accommodate and support current and future economic growth throughout the five parish region.

The goal of this strategic planning process is to ensure that Southwest Louisiana emerges from this growth and development stronger, smarter, and more diversified than before, and that local communities are positioned to take advantage of the ancillary social and economic development potential associated with the implementation of these projects.

Much of the GO Group's work is based on the Regional Impact Study, a study conducted by Sasol in 2014. The study analyzed how the announced industrial expansion projects would affect the five parish area of Calcasieu, Cameron, Beauregard, Jeff Davis, and Allen Parishes and evaluated potential impacts to housing, utilities, education, workforce development, transportation, public safety, public health, the environment, small businesses, and community relations.

In response to the recommendations, and as part of the implementation phase of its plan, the GO Group formed several task forces in March 2015 to further analyze the study's recommendations and evaluate how those recommendations would fit within the current structure and fabric of the community. Three task forces exist with category assignments including: public service improvements, education and workforce development, and growth planning. Each of these task forces is charged with issues relevant to their scope of work.

Other studies such as the Imperial Calcasieu Regional Planning and Development District's Long Range Transportation Study and the Southwest Louisiana Economic Development Alliance's Southwest Louisiana Housing Study, Strategic Plan and Implementation Strategy, are also essential aides and guides in the work of the GO Group. For more information on the GO Group, please visit [www.gogroupswla.com](http://www.gogroupswla.com).

In February 2014, the SEED Center played host to the launch of two major studies: 1) A Regional Impact Study (RIS) to assist the GO Group in preparing the region for this economic growth and all the changes growth will bring. Sasol sponsored the study. CSRS, a Louisiana company that specializes in infrastructure and facilities planning, conducted the study, and 2) Simultaneously, the Southwest Louisiana Economic Development Alliance conducted a detailed housing strategic plan for the region. Both studies provided community leaders with the information needed to plan for short term impacts and for long term quality of life and community growth.

### **Regional Impact Study**

The Regional Impact Study examined the cumulative impact of the announced industrial, commercial, and other economic development related projects on our five-parish region. This study included a full socio-economic model of SWLA that includes the planned capital projects; an evaluation of the existing condition of the region's infrastructure; and recommended pathways to address the potential infrastructure gaps and community needs that may develop as these projects begin to reach the construction stage. The study investigated critical areas such as transportation, schools, health services, utilities, emergency services, environment, and regulations relative to land development and was released in the November 2014.

### **Housing Study**

The period of growth and prosperity approaching SWLA will be widely evident in our community. Perhaps the most obvious indicator is the local housing markets. Demand for homes of all types and price-points are going to increase, which will ultimately result in an increase in pricing and potentially a scarce supply. We are on the brink of the finalization of the SWLA Regional Housing Strategic Plan. This plan, jointly funded by the SWLA Economic Development Alliance and the Office of Community Development Disaster Recovery Unit, is being created to assess resiliency and housing needs for the expected influx of new residents. As of July 2015, there were an estimated 40,447 new construction jobs and 18,329 total permanent jobs including direct, indirect, and induced jobs arising from recent industrial announcements. Due to this, the region must be proactive when assessing housing and required infrastructure.

To communicate the plan, a Web-based interactive project portal with mapping capabilities is being created. The portal will utilize GIS layers to show the major growth regions for housing, existing infrastructure, flood zones, emergency response facilities including fire and police protection, culture and community features, etc. The portal will also display locations of announced economic development projects with a radius tool to show socio and demographic information around both industrial and temporary and permanent residential projects. The portal will be a means to update the plan to remain current into the future. It features many components that will make it not only a valuable tool for housing, but also for economic development of Southwest Louisiana. By proactively preparing a Housing Strategic Plan, the leadership of our community is taking steps to make sure that as the community grows, it does so in a resilient and sustainable manner. More critical than the plan itself, are the actions that our leaders take going in preparing SWLA for the coming years. The project team is optimistic that the plan will serve as a catalyst for future community planning efforts. As SWLA enters this time of unprecedented growth, we must prepare for the changing demands of our community. From this research, we ask the users of this work to make great decisions.

### **Southwest Louisiana Housing Study, Strategic Plan, and Implementation Strategy**

The Southwest Louisiana Economic Development Alliance has undertaken a significant project to guide housing strategies and decisions for Southwest Louisiana for years to come. The project consists of a Housing Study (completed in 2012 and updated in 2014), a Housing Strategic Plan and Implementation Strategy and, at the heart of the work, The Demand Model and the GIS based Housing and Community Development Web Portal. The Demand Model and the Web Portal are unique in that they are dynamic tools

that will allow the Alliance to keep information, data, modeling, projections, etc. updated as market dynamics change. The significance and focus of this work has changed dramatically in the last few years because of the unprecedented economic growth coming to Southwest Louisiana.

With over five thousand hours dedicated by the Alliance staff, another two thousand hours invested by local stakeholders and leadership and \$300,000 spent on professional contractors, the Alliance has unwavering confidence that this document will be the standard for housing decisions for our region for years to come. Participants included local, state and federal government representatives; home builders, developers, realtors, apartment owners, the Convention and Visitors Bureau, the banking industry, nonprofit housing agencies, law enforcement, industry and many other stakeholders along the way.

Who is our audience? We consider anyone who is in the business of providing housing or making housing decisions for our community to be our target audience. It was our hope to equip government, developers, builders, financial institutions, etc. with the tools they need to make well-informed decisions about our housing markets. In particular, we are aware that this market demand would stretch the limits of our local resources and that outside resources would be necessary to meet the demands. Studies and plans are often conducted by larger firms for their own purposes but it is our local builders and developers that we had in mind when creating this work.

The document is designed to provide each Parish of Southwest Louisiana with a pullout report. Although each pullout report can be used as a stand-alone report, we encourage the readers to thoroughly study the entire report in order to truly understand the market dynamics of the entire region. This report can be used as:

- As a repository of information for the Southwest Louisiana housing market
- As a guide on the processes of building and developing housing
- As an informative document that will tell us what will happen in the housing markets if we do nothing
- As a guide for decision makers who are considering investments to meet the housing demands
- As a tool to project the needs
- As a tool to determine where housing should be built in the region
- As a recruiting tool for the industries that are attempting to attract top talent to the local economy

Modeling is a tool that incorporates historical data to assist in projections for future events. The most sophisticated tools were available to us in our modeling process. However, due to the unique housing market dynamics that exist in Southwest Louisiana, the housing demand based on upcoming projects and jobs growth required in-depth research by the Alliance to provide accurate data that had to be collected directly from the new jobs sources. In combination, historical data and new jobs data will provide our audience with the most accurate projections for housing available. We have provided you with the most comprehensive, accurate and highly informed housing reports available to the Southwest Louisiana housing market.

**SWLA Housing Study, Strategic Plan, and Implementation Strategy Report 7/15**

This report was released in July 2015 and is available on the SWLA Alliance website as linked below:  
<http://allianceswla.org/PageDisplay.asp?p1=5513>

*The following projects and expansions are a few examples of what will change the economic landscape in Southwest Louisiana.*

## **-BEAUREGARD PARISH-**

### **BEAUREGARD AIRPORT INDUSTRIAL 12/16**

After eight years, the ribbon-cutting ceremony celebrating the site certification of Beauregard Airport Industrial has happened. State, parish and local officials came together to recognize the hard work and dedication of people to get this mega site certified.

The Beauregard Airport Industrial Site has 1,187.59 acres of developable property. It is a transportation link between the air and the ground intersected by major US Highways 171 and 90. Beauregard Airport Industrial boasts a 5,495-foot runway and one of the largest land areas in the state. Zoned industrial with KCS and Timber Rock Railroad connections and a spur on-site, this site has many opportunities for growth.

LED Certified Sites are development-ready industrial sites. LED certification is granted after an extensive application process and exhaustive review. The benefits of certification include official acknowledgement of a site's suitability and readiness and improved success in the site selection process. The program's rigorous review process is conducted by an independent, third-party engineering firm.

## **-CALCASIEU PARISH-**

### **ART 5/15**

**Carlyss Industrial Area** - W.R. Grace & Co. Chairman and CEO Fred Festa announced Advanced Refining Technologies®, the company's joint venture with Chevron Products Company, will make a capital investment of \$135 million to build a residue hydroprocessing catalyst production plant and additional alumina capacity at the existing Grace manufacturing facility near Lake Charles. Grace will retain 295 direct jobs at the site, while ART will create 30 new direct jobs with a new annual payroll of \$2.4 million, plus benefits. Louisiana Economic Development estimates another 88 new indirect jobs would result from the project, for a total of more than 110 new jobs in the Southwest Region. In addition, 190 construction jobs will be created at peak building activity by the project, which will expand what is one of the largest refining catalyst plants in the world. ART will begin hiring when construction is expected to start later in 2015. Completion of the expansion is projected for early 2018.

Grace's 120-acre manufacturing site is across the Calcasieu River from Lake Charles and southwest of the city. There, the facility produces alumina, sodium silicate, fluid-cracking catalysts, hydroprocessing catalysts and zeolites, a class of hydrated minerals. Grace has invested \$100 million in facility upgrades at Lake Charles over the past six years prior to this expansion. Operating in Southwest Louisiana since 1953, the Lake Charles facility represents a significant portion of Grace's global catalyst production capacity and supplies major refiners worldwide.

LED began working with the companies on expansion possibilities in March 2014. To secure the project, the State of Louisiana offered a competitive incentive package, including a \$2.4 million Modernization Tax Credit to be claimed over five years. ART also will receive the comprehensive solutions of LED FastStart®, the nation's top-ranked state workforce development program, and is expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs.

#### **About Grace**

Built on talent, technology, and trust, Grace is a leading global supplier of catalysts; engineered and packaging materials; and specialty construction chemicals and building materials. The company's three industry-leading business segments – Grace Catalysts Technologies, Grace Materials Technologies and Grace Construction Products – provide innovative products, technologies and services that improve the products and processes of customer partners in over 155 countries around the world. Grace employs approximately 6,500 people in over 40 countries. Grace's 2014 net sales were \$3.2 billion. For more information, visit [grace.com](http://grace.com).

### **About ART**

Advanced Refining Technologies® (ART) is a joint venture between subsidiaries of W. R. Grace & Co. and Chevron Corporation (NYSE:CVX). ART is a leading supplier of hydroprocessing catalysts and offers a complete portfolio of residue hydrotreating, hydrocracking and lubes hydroprocessing, and distillate hydrotreating catalyst technologies through its global manufacturing network. ART combines Grace's materials science, manufacturing, marketing, and sales strength with Chevron's extensive expertise in refining operations, catalyst technology and development, and leadership in process design and licensing to provide refiners with catalytic solutions that improve fuels quality and yields.

### **ART Project Delayed 5/16**

The Board of Directors of Advanced Refining Technologies (ART), the joint venture between W. R. Grace & Co. and Chevron Products Company, has voted to delay construction of the residue hydroprocessing catalyst plant (Big Cat) manufacturing facility in Lake Charles. The Board has directed ART to monitor market conditions to determine a new timeline for construction, but to continue to move the project forward with the purchase of equipment for the new facility. This decision does not mark a change in the scope of the project, only the timing.

### **LOTTE Westlake CHEMICAL 7/14**

**Westlake Industrial Complex**– Axiall Corporation is evaluating a proposed world-scale ethylene facility in Calcasieu Parish, Louisiana, as part of the company's long-term growth strategy. Here are some key facts about this contemplated project:

Axiall is considering the construction and operation of a 2 billion pounds/year ethylene production facility at a preferred location in southwestern Louisiana. If approved, the project would be a joint venture with Lotte Chemical of South Korea, which was selected after an exhaustive search of potential partners. Lotte Chemical also is evaluating an adjacent, wholly-owned derivatives plant on the same preferred site in Calcasieu Parish. The proposed ethylene facility could supply up to 50 percent of Axiall's current annual demand for this important and widely used raw material in chemical manufacturing.

Axiall currently requires approximately 2 billion pound of ethylene annually for its manufacturing operations. This potential investment would position the company for strategic growth across its vinyl chain. A front-end engineering and design study is underway and is expected to continue through much of 2014. A final investment decision will follow.

Louisiana was selected, in part, due to the state's skilled workforce and its familiarity with the chemicals industry and projects of this type. Axiall's two largest chemical plants are based in Louisiana. Calcasieu Parish is the preferred project site for a number of key reasons, including its proximity to raw materials, pipelines, excess steam and water access.

If approved, this world-scale ethylene facility would have a significant positive economic impact on southwest Louisiana.

- Axiall and Lotte Chemical are considering a capital investment of about \$3 billion and currently estimate the project would create 250 new direct jobs.
- Louisiana Economic Development (LED) estimates that, combined, the new plants would result in an estimated 2,200 new indirect jobs.
- An estimated 2,000 to 3,000 temporary construction jobs also would be created during the construction period for the ethylene facility and derivatives plant, according to LED.

The initial regulatory filing on the project was a 404 wetlands permit application with the U.S. Army Corps of Engineers, New Orleans District, in mid-March 2014. A joint public notice was issued by the U.S. Army Corps of Engineers on May 19, 2014.

#### **Axiall Delaying Decision 2/15**

Citing volatility in key U.S. markets, another petrochemical company has decided to delay its decision to build a plant in Southwest Louisiana. Paul Carrico, president and CEO of Axiall, announced that the company and its joint venture partner, Lotte Chemical of South Korea, have agreed to postpone their final investment decision to build an ethane cracker at Axiall's Westlake plant beyond the first quarter of this year. Carrico said uncertainty in U.S. energy, feedstock and labor markets prompted the decision. He said both partners are seeking time for "additional analysis and clarity in these areas." Carrico did not indicate when Axiall expects to reach a final decision on its ethane cracker project. Axiall's announcement came at time when the company completed its six-month front-end engineering and design study for the project. Carrico said during that time, however, "a major period of volatility in the energy and feedstock markets" occurred. Adding to that volatility, Carrico said, was a "nearly unprecedented set of build announcements" that pressured the construction labor and engineering markets in the U.S. Gulf Coast. "Both pieces deserve more looking before we come to a final decision," Carrico said. Axiall's announcement comes less than a month after Sasol executives chose to delay their \$14 billion gas-to-liquids project in Westlake. Last February, Axiall and Lotte Chemical signed a preliminary agreement to build a \$2 billion ethane cracker on land bordered by Prater and Pete Manena roads. If the project is approved by state and federal officials, Lotte Chemical has agreed to build and operate a monoethylene glycol facility adjacent to the ethylene plant. The total estimated cost of both facilities is \$3 billion. Axiall's website indicates that both plants could begin commercial operation in 2018.

#### **Axiall Update 6/15**

Axiall Corporation and Lotte Chemical Corporation of the Republic of Korea announced that the companies have finalized their joint-venture arrangements to construct an ethane cracker. The final investment decision remains subject to approval by both companies' boards of directors. The companies have formed LACC LLC to design, build and operate an ethane cracker in Louisiana that would produce approximately one million metric tons of ethylene annually once it commenced operation. View the full release: <http://www.businesswire.com/news/home/20150617006287/en/> Since announcing their intent to partner on the project in February 2014, Axiall and Lotte have also completed a joint FEED study for the plant. The two are now evaluating final project details, including site selection, which is anticipated in Lake Charles, La. A final investment decision is anticipated in the second half of 2015. If approved, the plant's anticipated start-up would be the end of 2018.

If approved by Lotte's Board of Directors, Lotte Chemical also plans to build a monoethylene glycol (MEG) plant adjacent to the proposed cracker. Axiall would not have any investment in or ownership of that MEG plant. Lotte Chemical currently operates three crackers in Asia that produce more than 2.8 million metric tons of ethylene capacity annually. Financial terms of the joint venture call for Lotte to lead the project with Axiall having a maximum capital contribution obligation of \$225 million towards the cracker during the engineering, procurement and construction phases of the project. The amount of Axiall's capital contribution relative to the total, actual cost of constructing the cracker would determine the amount of ownership Axiall holds in the cracker. Axiall will retain an option to increase its ownership level to up to 50 percent of the completed plant. For a further discussion of risks and uncertainties applicable to Axiall and its business, see Axiall's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and subsequent filings with the SEC.

### **CB&I wins second LACC Ethane Cracker Contract in Lake Charles 9/15**

CB&I announced it has been awarded an early works contract by LACC, a joint venture between Atlanta's Axiall Corporation and South Korea's Lotte Chemical, to provide additional detailed engineering and early procurement services for the proposed LACC Ethane Cracker Project in Lake Charles, Louisiana. This new scope of work follows CB&I's front-end engineering services it provided to LACC, along with its ethylene technology. LACC continues to evaluate the construction of a cracker with the capacity to produce about one million tonnes of ethylene per year. A final investment decision is expected at the end of the year.

### **Axiall/Lotte Hosts Open House 9/15**

Axiall hosted an open house to inform the community about its new project — a proposed ethylene production facility. The proposed facility would be a joint venture between Axiall and Lotte, a South Korean company. The project would include a barge slip to transport materials to and from the plant that would negate concerns about increased road traffic. The Department of Environmental Quality has scheduled a public meeting about the project for Oct. 29 at Westlake City Hall. Then, in November, the boards of the two companies, Axiall and Lotte, will meet to decide on the final investment. If the \$3 billion investment is approved, the project would take 38 months to complete and start up would be estimated by the first quarter of 2019.

### **Axiall/Lotte Chemical breaks ground 6/16**

Louisiana Commissioner of Administration Jay Dardenne and Louisiana Economic Development Secretary Don Pierson joined Republic of Korea Ambassador Ahn Ho-young, Lotte Group Chairman Shin Dong-bin and Axiall CEO Tim Mann in breaking ground on a \$3 billion chemical manufacturing project in Lake Charles. LACC LLC, a joint venture of Lotte Chemical and Axiall Corp., will build a \$1.9 billion ethane cracker complex near Axiall's existing manufacturing plants in Calcasieu Parish. Using a portion of ethylene produced by that plant, Lotte Chemical will produce monoethylene glycol at a \$1.1 billion plant constructed beside the ethane cracker.

Combined, the projects will create 215 new direct jobs, with the ethane cracker producing 135 new direct jobs with an average annual salary of \$75,500, plus benefits, and the monoethylene glycol facility producing 80 new direct jobs with an average annual salary of \$87,000, plus benefits. Louisiana Economic Development estimates the combined projects will result in 1,892 new indirect jobs, for a total of more than 2,100 new jobs in Southwest Louisiana. With its project, Axiall will retain 1,600 existing workers in the Lake Charles area, and the company estimates 2,000 construction jobs will be created at peak building activity for the new plants.

Both plants are expected to begin operating in 2019. Axiall will use its portion of the ethylene output to make vinyl chloride monomer, a precursor to plastics, and other products, such as caustic soda, chlorine and ethylene dichloride. Lotte Chemical will make monoethylene glycol, commonly called MEG, which is an important ingredient in the making of paper, textile fibers, latex paints, asphalt, resins, antifreeze, coolants and adhesives. It is expected to be the largest MEG plant in the U.S.

Axiall and Lotte Chemical disclosed the potential investment in December 2013, with their corporate boards agreeing to proceed with the project in a final investment decision in December 2015. Lotte will be the sole owner of the MEG plant, with construction on that site and the ethane cracker underway now. Upon completion of the MEG plant, Lotte plans to produce 700,000 tons per year of that product, chiefly for export to customers abroad. The ethane cracker is designed for an annual capacity of 1 million tons to be shared equally by the two companies. The groundbreaking ceremony follows months of site preparation on approximately 250 acres at the southwest corner of the junction of Interstates 10 and 210 in the Lake Charles area.

Louisiana faced competition for the projects, including from Texas for the ethane cracker, and Texas and South Korea for the MEG production facility. To secure the combined projects, the State of Louisiana offered the companies a competitive incentive package that includes a Modernization Tax Credit of \$4.55 million for the ethane cracker project. Both projects will receive the comprehensive solutions of LED FastStart®, the top-ranked state workforce development program in the nation. The projects will receive Economic Development Award Program incentives of \$700,000 for the ethane cracker and \$1.47 million for the MEG facility to pay for site infrastructure improvements. In addition, the companies are expected to utilize Louisiana's Quality Jobs and Industrial Tax Exemption programs.

#### **About Lotte Chemical**

Lotte Chemical is a member of the Lotte Group in Korea, which has been listed on the Korean Stock Exchange since 1991. Lotte Chemical is a leading manufacturer of petrochemical products, such as ethylene, propylene, butadiene, polyethylene, polypropylene, ethylene oxide/glycol, compound resin, polyethylene terephthalate, polycarbonate, methyl methacrylate, ethylene oxide derivatives, benzene, toluene, mixed xylene, purified terephthalic acid and purified isophthalic acid, among others. Lotte Chemical, headquartered in Seoul, has manufacturing facilities located throughout South Korea, China, Malaysia, Indonesia, Pakistan, the U.K. and the U.S. For more information, visit [www.lottechem.com](http://www.lottechem.com).

#### **About Axiall**

Axiall Corporation is a leading integrated chemicals and building products company. Headquartered in Atlanta, Axiall has manufacturing facilities located throughout North America and in Asia to provide industry-leading materials and services to customers. For more information, visit [www.axiall.com](http://www.axiall.com).

#### **Update on Lotte Project 2/17**

Last June, Lotte Chemical and Axiall broke ground on a \$1.9 billion ethane cracker facility- next to Axiall's current Lake Charles manufacturing facility. Additionally, Lotte chemical will spend \$1.1 billion on a new monoethylene glycol manufacturing plant on the same site, and this past weekend huge shipments for the project finally arrived. All three pieces of equipment left Korea in late December and traveled through the Panama Canal before finally arriving at the Port of Lake Charles on Feb. 10. This equipment will be used in producing and purifying ethylene, and many jobs for Southwest Louisiana residents. The project at its peak will create over 3,000 construction jobs with present jobs being between 800 and 900. The company will also be looking for many other types of workers with welders, pipe fitters, laborers, carpenters being needed soon. There is an anticipated job fair probably in the latter part of the second quarter, and hiring in the third quarter. The facility is expected to be mechanically completed in 2018, and start running in the beginning of 2019.

#### **Lotte Chemical USA to Move Headquarters to Louisiana 4/17**

LAKE CHARLES, La. - Today, Gov. John Bel Edwards and CEO Soon Hyo "Steve" Chung of Lotte Chemical USA announced the company will establish its headquarters in Lake Charles, where the corporate office will join Lotte Chemical USA's \$1.1 billion monoethylene glycol – or MEG – plant under construction at the junction of Interstates 10 and 210. Together, the MEG plant and corporate headquarters will create 130 new direct jobs, with an average annual salary of more than \$80,000, plus benefits. Louisiana Economic Development estimates the combined facilities will result in more than 1,200 permanent new indirect jobs, along with more than 3,000 construction jobs.

Lotte Chemical USA will move its headquarters from Houston to Lake Charles. In addition to Lotte Chemical's MEG plant, the company is investing in a \$1.9 billion joint venture with Westlake Chemical to build an ethane cracker complex, also under construction on the 250-acre site that will be home to the MEG plant and future headquarters. Combined, the joint venture, MEG plant and



headquarters represent more than \$3 billion in new capital investment, 265 new direct jobs, and more than 2,300 new indirect jobs in Lake Charles and surrounding areas.

“Southwest Louisiana is undergoing an industrial renaissance with record amounts of domestic and foreign-direct investment in new chemical and energy projects,” Gov. Edwards said. “We are proud to be increasing our profile as one of the world’s great energy providers. By capitalizing on these new major investments in manufacturing, we also are recruiting some of the best jobs that connect Louisiana’s energy corridor to the corporate boardroom. Lotte Chemical’s decision to move 50 high-paying corporate jobs to Lake Charles demonstrates how we are diversifying and strengthening our economy for the next generation.”

Lotte Chemical USA is part of the Seoul-based Lotte Group, South Korea’s fifth-largest company with \$79 billion in annual revenue and more than 180,000 employees worldwide. Both plants are expected to begin operating in 2019. With Westlake Chemical, Lotte Chemical will split the output of the 1 million tons per year of ethylene produced by the ethane cracker. Westlake Chemical will convert its ethylene to the production of plastics and other derivatives, while Lotte Chemical will produce monoethylene glycol, a key ingredient in the making of paper, textile fibers, latex paints, asphalt, resins, antifreeze, coolants and adhesives. The Lake Charles site is expected to be the largest MEG plant in the U.S.

“We, at Lotte Chemical, are very proud of this project, as it represents a significant investment for us,” CEO Steve Chung said. “We selected Louisiana as the site for the state-of-the-art, steam-cracking facility and adjacent ethylene glycol plant due to the advantages of existing infrastructure, including access to competitive feedstock resources, as well as the distribution infrastructure and a skilled and well-trained workforce. Through the hard work and cooperation of LED and Lotte Chemical, we are able to announce this afternoon our intention of locating the corporate offices of Lotte Chemical USA in Louisiana. We would like to thank Governor Edwards, LED and everyone involved, and we look forward to the successful construction and startup of our facilities, as well as the relocation of our USA corporate headquarters.”

LED began discussing the potential industrial investments with Lotte Chemical and its partners in December 2013, leading to a final investment decision for the ethane cracker and MEG facilities in December 2015 and a groundbreaking for those facilities in June 2016.

“Southwest Louisiana continues to experience remarkable growth,” said President Kevin Guidry of the Calcasieu Parish Police Jury. “In a short period of time, Lotte Chemical has already become a key driver in our region’s economic development. Together with Westlake Chemical, they broke ground on a multibillion-dollar complex, but their additional investment in Calcasieu Parish supports the fact that the people of Southwest Louisiana, and our infrastructure, are doing a great job to accommodate and facilitate positive economic development. We are fortunate to be undergoing great growth and investment, and will continue to work to move in a right direction. By doing so we can accomplish lasting, positive impacts for our parish, region and state for years to come.”

To secure the combined MEG plant and headquarters investment by Lotte Chemical, the State of Louisiana offered the company a competitive incentive package that includes a \$12.5 million performance-based grant, payable over three years, to offset wetlands remediation and related infrastructure costs. Additionally, Lotte Chemical will receive the comprehensive solutions of LED FastStart®, the nation’s No. 1 state workforce training program, along with an Economic Development Award Program performance-based loan of \$1.47 million for site infrastructure improvements, and participation in Louisiana’s Quality Jobs and Industrial Tax Exemption programs.

Louisiana faced competition for the projects, including competition from Texas for the ethane cracker and headquarters, and Texas and South Korea for the MEG production facility.

“Today’s announcement of Lotte Chemical USA locating its U.S. headquarters in Southwest Louisiana not only adds more quality jobs to the workforce in our region, but brings a new dynamic of corporate leadership into our business community,” said President and CEO George Swift of the Southwest Louisiana Economic Development Alliance. “We look forward to working with Lotte executives as they locate in our community, by building strong business relationships in support of their new chemical complex and encouraging them to expand their business operations domestically.”

#### **About Lotte Chemical**

Lotte Chemical is a member of the Lotte Group in South Korea, which has been listed on the Korean Stock Exchange since 1991. Lotte Chemical is a leading manufacturer of petrochemical products, such as ethylene, propylene, butadiene, polyethylene, polypropylene, ethylene oxide/glycol, compound resin, polyethylene terephthalate, polycarbonate, methyl methacrylate, ethylene oxide derivatives, benzene, toluene, mixed xylene, purified terephthalic acid and purified isophthalic acid, among others. Lotte Chemical, headquartered in Seoul, has manufacturing facilities located throughout South Korea, China, Malaysia, Indonesia, Pakistan, Uzbekistan, Poland, the U.K. and the U.S.

#### **CHENNAULT INTERNATIONAL AIRPORT AUTHORITY 7/15**

The Chennault International Airport Authority is looking at a \$257 million expansion to increase the airport’s cargo-handling capacity. The proposal includes building on 220 acres already occupied by Mallard Cove Golf Course. Randy Robb, the airport’s executive director, tells the American Press the expansion could result in up to 1,500 permanent jobs. Robb says Mallard Cove causes hazards for airport operations, including wildlife, along with birds and golf balls hitting aircraft. He says Chennault would provide an alternative golf course. The city of Lake Charles developed Mallard Cove in 1976 on land that was donated by the federal government. Robb says would take about 18 months to develop the new golf course. He says the plan is for Mallard Cove to remain open until a new course is opened.

#### **Chennault wants to amend Mallard Cove agreement 9/16**

A committee moved to recommend that the Chennault International Airport Authority enter into an amended memorandum of understanding with the city on expansion plans at the site of Mallard Cove Golf Course. Last October, Chennault entered into an MOA with the city in which the city agreed to incorporate the golf course land into Chennault’s 99-year lease if the airport built a replacement course at no cost to the city. Chennault officials said in the original MOA they would build a \$257 million facility and additional aircraft hangars on the site of Mallard Cove. But Chennault has struggled to find an acceptable replacement location. Board Vice President Jonald Walker addressed this issue saying a replacement golf course “doesn’t seem to be a viable option, at least at this time.”

Executive Director Randy Robb later said representatives are looking into two sites that look “really good” for a replacement course, but that the decision on whether to replace the course is still up in the air. Robb said that in the meantime the amended MOA — if approved — would give Chennault the option to buy the course instead of having it incorporated into the lease. It would allow Chennault to appraise the area, present a sales price to the city for approval and then be granted “the exclusive right to purchase” that area for a period of two years. Robb said this would also “help reduce the interference from outside sources” and enable developers to deal directly with Chennault.

Walker said that while talks continue regarding a replacement golf course, city and airport representatives have been looking for “alternative ways to make this deal happen” and that the

amended MOA is a result of those talks. But Walker said replacing the course is still not off the table and that the city “may still require some alternative golf course.” “That is still an item that the city really wants to make sure is considered,” Walker said. “But they understand that we’ve had challenges in making that happen. This allows us to get the appraisal done at our cost, present it to the committee and then have some discussions about how we’re going to move forward.”

Robb said the amended MOA hasn’t yet been presented to the city. He said the city might change some wording but that he expects it to be “smoothed out by next meeting.” City Administrator John Cardone said he was not aware of the amended proposal, but that the city planned to entertain any proposal on Mallard Cove made by Chennault and to continue talks with the airport regarding the future of the course.

### **Mallard Cove Development 11/16**

A Pennsylvania-based consulting firm will determine the possibilities for future economic development by the Chennault International Airport Authority on the Mallard Cove Golf Course property, along with additional property owned by the airport. Chennault board members entered into an agreement with Martin and Associates on an intermodal market study. Randy Robb, the airport’s executive director, said the study has an estimated price tag of \$94,500 and will be funded in phases. “If we’re going to try and attract a developer, it’s got to be done,” he said. “If we discover bad news or an obstacle that we can’t go around in step two, we won’t have to fund (other steps).”

A letter from Martin and Associates to CSRS said the market study would take two to three months to finish. The effort includes interviewing possible developers and tenants; calculating the economic impact for the Chennault site; and coming up with an estimate of distribution patterns that could be developed at the airport. Robb has discussed the intent to use the 220 acres occupied by Mallard Cove to increase the amount of cargo the airport handles. The board in July hired CSRS, a Baton Rouge-based engineering and planning firm, to attract potential developers for the effort. At the July meeting, Robb said the plan was to secure a developer and start the project within one year.

“So far, CSRS has been correct in all of their recommendations, and the process is going very well,” Robb said Tuesday. Robb said the market study will also determine whether there are interested developers for other airport property, not including the Mallard Cove land. The city of Lake Charles owns and operates the golf course. The airport’s proposed \$257 million expansion includes building two 150,000-square-foot rail-served warehouses, four 75,000-square-foot aircraft hangars, a 200,000-square-foot light industrial park, a 250,000-square-foot business park, cargo-handling equipment, and roads and rail infrastructure. Robb said the airport is looking at four locations to build a new golf course and replace Mallard Cove. All locations are within the Ward 3 Recreation area. The board also approved hiring John McMullen as the airport’s director of maintenance.

### **DRIFTWOOD LNG 8/16**

#### **Magellan Merges with Tellurian and Enters the LNG Business**

Magellan Petroleum Corporation announced that it has entered into a merger agreement with Tellurian Investments Inc. Tellurian was formed recently by Charif Souki, former founder, Chairman, and CEO of Cheniere Energy, Inc. and Martin Houston, former COO of BG Group plc. Tellurian is developing a liquefaction project in Louisiana. The board of directors of each company has unanimously approved the terms of the agreement and has recommended that its shareholders approve the transaction. Completion of the merger is subject to approval of the Magellan and Tellurian shareholders.

J. Thomas Wilson, President and CEO of Magellan said, "This transaction concludes our strategic alternatives review process and we believe offers a unique opportunity for Magellan's shareholders to participate at an early stage in an investment potentially similar to Cheniere Energy's remarkable success, under the leadership of Charif Souki. He and Martin Houston are proven leaders in the LNG industry." Martin Houston, co-

founder of Tellurian, also commented, "Our experienced team leading Driftwood LNG, a 26-million tonnes liquefaction project in Louisiana, and our deep relationship with Bechtel and its sub-contractors, GE and Chart Industries, are key factors that we believe will drive the successful development of one of the most cost-competitive LNG projects globally. With this transaction, we will be able to access more attractive financing in order to develop Driftwood LNG, which should come on stream in 2022, just as the markets for new LNG open up." The transaction is expected to close in the fourth quarter of 2016.

#### **Update on Driftwood LNG 8/17/17**

Organizers behind Driftwood LNG expect to have the project's primary engineering, procurement and construction contract in place this fall — a contract only one other LNG export project in Southwest Louisiana, Magnolia LNG, has been able to secure.

Bechtel recently submitted a lump-sum turnkey EPC proposal after completing the project's front-end engineering and design study, according to a recent announcement by Driftwood's parent company, Tellurian. Tellurian President and CEO Meg Gentle said that having an EPC proposal will help the company attract global buyers for the liquefied natural gas it aims to ship from Calcasieu Parish.

"The EPC proposal differentiates the Driftwood project from other projects by enhancing cost certainty, which will support commercial and financing discussions," Gentle said in a news release.

Driftwood is the youngest of the 10 LNG facilities being developed in the area, having announced plans in 2016 to build a terminal in the region. It's awaiting Federal Energy Regulatory Commission approval, which is expected by the middle of next year.

It expects to reach financial close in mid-2018 and begin operating in 2022.

Company spokesman Joi Lecznar said that, in addition to completing the project's engineering study, Driftwood began making "robust marketing efforts" this spring at the Gastech 2017 conference in Tokyo.

The low price of oil and a temporary glut of LNG has made buyers reluctant to ink long-term contracts, an issue delaying many LNG projects. But Driftwood doesn't see this as problem, Lecznar said, and is catering its sale structure to fit the needs of buyers.

"Regarding the market, we see buyers as hesitant to get into long-term contracts, but that is fine by us," she said. "We are happy to give them what they want, which is smaller tranches of LNG in shorter tenures."

Reuters reported in April that Tellurian is offering fixed-price contracts for shorter terms than the traditional 20-year span, a move that goes against traditional LNG practice by distancing the price of LNG from the price of oil.

"The EPC proposal differentiates the Driftwood project from other projects by enhancing cost certainty, which will support commercial and financing discussions."

Meg Gentle

Tellurian president and CEO

#### **DONGSUNG FINETEC AMERICA America 10/15**

**Lake Charles** – Dongsung Finetec America LLC, announced that after more than three years of evaluating the U S natural gas markets it has moved forward with its plans to expand its operations from South Korea. Dongsung Finetec is well established as a world leading force in the development and manufacturing of many

types of insulation specializing in cryogenic insulation. Dongsung has secured a lease with the Port of Lake Charles with intention of developing a manufacturing facility. The facility will cater to the cryogenic industry and aspirations of USA based LNG companies along with the full range of traditional insulation materials and service such as hot, cold, personal protection and acoustics.

William Rase, Executive Director of the Port of Lake Charles said: “The decision of Dongsung Finetec to choose the Port of Lake Charles for its first in the USA manufacturing site with its 200 manufacturing jobs demonstrates the tremendous spin-off positive impacts of the Calcasieu Ship Channel and the many new and existing industries and business dependent upon the channel for jobs and growth in the region.”

Dongsung will now embark on a two phase development of the leased facility in Lake Charles. Phase one is the restoration of the existing circa 59,000 square feet building. Phase two is the installation of the manufacturing lines, equipment recruitment along with training and development of the workforce. The projected permanent employment at the facility could reach as many as 200 with triple that number employed at the workface during the installation of the insulation material. The facility is expected to be fully operational by May 2016 with further expansions to follow aligned with the requirements of the LNG industry within the USA. The overall initial phased investment will be in the region of \$5 million.

#### **Update on Dongsung 12/15**

Governor Bobby Jindal and Senior Vice President James Choi of Dongsung FineTec Co., Ltd announced the company will create 250 new direct jobs with an average salary of \$40,000, plus benefits and make an estimated \$5 million capital investment in a cryogenic insulation manufacturing facility in Lake Charles. Based in South Korea, Dongsung FineTec provides specialized high performance insulation to liquefied natural gas plants and other industrial sites around the world.

Louisiana Economic Development estimates the project will result in 1,371 new indirect jobs, for a total of more than 1,600 new jobs for Calcasieu Parish and surrounding areas. The company estimates the project could generate an additional 300 plus construction jobs for the actual installation work if they are successful in winning projects.

Dongsung FineTec is the world’s largest maker of cryogenic insulation for the LNG industry. Its cryogenic insulation panels are designed to keep the liquefied natural gas cold at minus 163 degrees Celsius to facilitate storage and transport. The company also manufactures urethane foam insulation storage tanks and other insulation products for industrial applications. One specialist area the company feels it has made significant progress is that of LNG as a bunkering solution with a fuel tank and insulation design that they feel will bring great value to smaller and midscale opportunities.

Founded in 1985, Dongsung FineTec is based in Seoul, South Korea. The Lake Charles project is the company’s first manufacturing investment in the U.S., with the site expected to be fully operational by May 2016. “We are very excited to be expanding our activities to the U.S.,” Choi said. “The help and assistance of the Port of Lake Charles has been central to our decision. Clearly, the U.S. and Southwest Louisiana are becoming significant players in the LNG industry. We have made a commitment to continue supporting our existing international customers here in the United States. We feel confident that our world-class insulation technology can add value to all manner of projects within the U.S. We feel the market, even in these times of low oil prices, has a bright future in relation to the developing natural gas industry. Through technology transfer and providing local long-term opportunities for residents in Lake Charles, we will be able to offer a positive long-term impression on the community. Our plans are for the long-term broader U.S. and Americas markets. We are not specific project-driven: We are here for the long haul.”

LED began discussing a potential project with the company in February 2015. To secure the project, the state offered a competitive incentive package that includes the comprehensive solutions of LED

FastStart®, the top-ranked state workforce development program in the nation. The company also is expected to utilize Louisiana's Quality Jobs and Industrial Tax Exemption programs.

"The LNG facilities planned for our region will not only generate jobs for the area, they will also stimulate additional investment in the region," Lake Charles Mayor Randy Roach said. "Dongsung FineTec's Lake Charles-based manufacturing site is a great example of this economic principle at work. Cryogenic insulation is a critical staple of LNG export facilities. FineTec's new facility will provide these LNG companies with the product they need in the construction of their state of the art facilities. We are very pleased that they're planning to locate their national headquarters here."

The company will lease an 11-acre site at the Port of Lake Charles' Industrial Park East for its manufacturing complex. The site includes the former Spartech plastics compounding plant. The 59,000 square foot building will be renovated for specialized insulation production. Dongsung FineTec's selection of the Port of Lake Charles for its manufacturing site "demonstrates the tremendous spin-off positive impacts of the Calcasieu Ship Channel and the many new existing industries and businesses dependent upon the channel for jobs and growth in the region," port Executive Director William R. "Bill" Rase III said.

The region's dynamic natural gas liquefaction and export industry will provide a significant customer base for the company. Ten major LNG projects are in the works for the Southwest Region, including Magnolia LNG, Lake Charles LNG and Live Oak LNG in Calcasieu Parish and Cheniere Energy, Cameron LNG, Venture Global, SCT&E LNG, G2 LNG, Commonwealth LNG and Delfin LNG in Cameron Parish. Dongsung FineTec also expects to serve facilities in other Gulf Coast states. "Dongsung FineTec's announcement brings a unique product and industry to the U.S.," said David Conner, vice president of economic development and international services for the Southwest Louisiana Economic Development Alliance. "Its choice to locate in Southwest Louisiana proves again that we can compete with any area of the world for major manufacturing projects. We believe that Dongsung's specialized cryogenic process will cater to the facilities and ships that produce and transport liquefied natural gas to global markets."

#### **About Dongsung FineTec**

Dongsung FineTec has been a worldwide leader in the field of cryogenic insulation materials since 1994. The company specializes in hot, cryogenic and acoustic insulation, as well as personnel protection. Based in South Korea, it is entering the U.S. market as Dongsung FineTec America LLC. For more information, visit [DSFineTec.co.kr](http://DSFineTec.co.kr).

#### **ENTERGY 8/15**

**Southwest Louisiana** - Entergy continues to make productive investments in transmission, Entergy Chairman and CEO Leo Denault said on Aug. 4 during the company's 2Q15 earnings conference call. Denault said that in June, Entergy Gulf States Louisiana filed for certification – with the Louisiana Public Service Commission – of an up to \$187 million transmission project with an in-service date of June 2018. Denault was referring to the Lake Charles Transmission Project, which, as TransmissionHub reported, has received approval from the MISO Board of Directors.

Entergy Gulf States Louisiana in January announced plans to add around 25 miles of high voltage AC transmission lines, both 500-kV and 230-kV, build two new substations and expand a third in the Lake Charles area of Louisiana. The Lake Charles Transmission Project is planned to bring power more reliably and efficiently into a region projected to have the fastest job growth rate in the state.

#### **G2X ENERGY 1/13**

**Lake Charles Area** - Governor Bobby Jindal highlighted G2X Energy Inc.'s plans for a \$1.3 billion natural gas-to-gasoline facility at The Port of Lake Charles in Southwest Louisiana. The Calcasieu Parish project

would create 243 new direct jobs, averaging \$66,500 per year plus benefits. LED estimates the project would also result in 748 new indirect jobs, for a total of nearly 1,000 new permanent jobs in Southwest Louisiana. The expected number of jobs over the entire 36 month construction period is approximately 3,000 which would include on average 1,500 workers at the site. G2X Energy is finalizing an option to lease 200 acres in the Industrial Canal at the Port of Lake Charles, where the company will have the flexibility of shipping gasoline by pipeline or sea. G2X Energy will build its facility near Trunkline LNG, a major energy tenant operating at the port. Through a proven technology process, G2X Energy will use natural gas to produce methanol, then convert methanol to final gasoline for 90 percent of its production. About 10 percent of the output will be liquefied petroleum gas or propane.

Subject to additional feasibility analysis, Houston-based G2X Energy expects to make a final investment decision by the end of 2013, upon obtaining facility permits, and construction would begin in 2014 with an estimated completion of the project in early 2017. Hiring of the plant management team will take place in mid- to late 2014, with most of the hiring for the facility to be completed by the end of 2015.

#### **G2X and MHTL 12/14**

G2X Energy, Inc. (G2X Energy) and Methanol Holdings Trinidad Limited (MHTL) announced that MHTL intends to partner with G2X Energy to construct the world-scale methanol-to-gasoline MTG-ready, methanol production facility being developed by G2X Energy in Lake Charles, Louisiana. The Big Lake Fuels LLC facility will produce 1.4 million metric tons of commercial-grade methanol per year and will have the necessary facilities to convert methanol to automotive gasoline in the future. As part of MHTL's potential investment into G2X Energy and the Big Lake Fuels plant, MHTL will enter into the negotiation of an exclusive offtake agreement to market the entire production of methanol from Big Lake Fuels' first methanol plant. The Big Lake Fuels plant will initially produce methanol, and methanol-to-gasoline production will be an option in the future.

The plant will be located on a 200-acre site on the Calcasieu Industrial Canal off of the main Calcasieu Ship Channel. The site is ideally located adjacent to multiple large natural gas pipelines and industrial electricity connectivity, and affords the option to ship methanol via barge or oceangoing vessel. The site has the capability to support multiple production process trains and has been secured from the Port of Lake Charles under a long-term lease agreement.

The facility will be constructed by the Proman Group under a fixed price EPC contract. Proman, based in Wollerau, Switzerland, has extensive experience building methanol production facilities. The company has built five world-scale plants in Trinidad and Oman similar in design to the Big Lake Fuels plant. The plant will utilize steam reforming and methanol synthesis technologies from Johnson Matthey Davy Technologies Limited. The plant received its air and construction permit from the state of Louisiana on May 25. Construction is expected to begin in early 2015, after the project obtains the remaining permits and completes initial engineering.

G2X Energy anticipates the project will create more than 2,000 construction jobs during the three-year construction period. Once the methanol plant is operational, there will be more than 125 full-time operations personnel at the plant, with that number expected to grow when MTG and methanol plant expansions are complete. For more information visit [www.G2XEnergy.com](http://www.G2XEnergy.com) or contact Sandy Fitch at (713) 943-2200 or [info@G2XEnergy.com](mailto:info@G2XEnergy.com).

#### **G2X Energy Announces Mobilization on World-Scale Methanol Production Facility 7/15**

G2X Energy, a developer of natural gas to methanol and methanol to gasoline projects announced that mobilization has begun on its previously announced world-scale methanol production facility located in Lake Charles, Louisiana. The announcement was made at the Lake Charles Harbor and Terminal District Board of Directors meeting. G2X Energy President and CEO Tim Vail announced all state and federal permits required for construction have been obtained, staffing of key

management is underway, critical studies and local building permits are being worked towards completion and final details are being put in place to open a local G2X Energy office and commence construction of the facility. "We are extremely pleased to be moving forward in such a significant way on this project. Our hope is to have our EPC contractor, the Proman Group, to begin site work by the end of this year." stated Vail.

When complete, the facility, named Big Lake Fuels, will produce over 1.4 million metric tons of commercial grade methanol per year and will have the ability to install necessary facilities to convert methanol to automotive gasoline in the future. Regarding the local economy and the impact this project will create, Congressman Boustany said, "The G2X Energy methanol-to-gasoline production facility in Lake Charles will create 2,000 construction jobs over three years and 125 permanent operations jobs with the possibility of expansion – a huge boost to our local economy. Mr. Vail concluded, "G2X Energy and our partners, Southern Chemical Corporation and The Proman Group, are very pleased with the progress of the Big Lake Fuels project and feel this facility will be a large part of the revitalization of the methanol industry along the Gulf Coast." For more information regarding G2X Energy, please contact Sandy Fitch at (713) 943-2200 or [info@G2Xenergy.com](mailto:info@G2Xenergy.com). For interview opportunities, please contact Kathryn Smith at (713) 252-5414 or (713) 627-8777.

#### **About G2X Energy, Inc.**

Houston-based G2X Energy develops, owns and operates production facilities that convert natural gas to methanol and drop-in automotive gasoline. Transforming gasoline production by leveraging existing infrastructure and proven conversion technologies, G2X meets the demand for cost-competitive fuels and chemicals using abundant, clean, domestic natural gas. For more information, visit [www.G2XEnergy.com](http://www.G2XEnergy.com) or call (713) 943-2200.

#### **G2X Update 7/15**

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#### **G2X 1/16**

Although construction is set to take three years, a major energy project took another step forward. Houston-based G2X Energy, a developer of natural gas to methanol - and methanol to gasoline projects - broke ground today at its new facility Big Lake Fuels. The future site is located at 4101 Tank Farm Road in Lake Charles. Contractor David Cassidy, with Proman Group, said it has far-reaching impacts, with the potential to export all over the world. "It'll be a 1.4 million ton per year methanol plant," added CEO of G2X, Tim Vail. Phase One takes place on roughly 200 acres, leased by the Port of Lake Charles.

"This particular site was leased to G2X probably 2-3 years ago," said Port Director Bill Rase. And Rase said it's unique to our area. "And this is one of the ones that does not depend on LNG. It's actually a methanol plant which is kind of unique to this area but it does fit into the energy sector



which we're very strong in," he said. While site preparation is still underway, already, there are plans to expand. "But we also have an incremental 400 acres. And ultimately, we'll expand into additional methanol capacity and perhaps into other products such as ammonia and fertilizer," explained Vail. And at a price tag of \$1.6 billion, economic impacts are significant.

"During construction we'll have a little north of 2,500 jobs, people at the site. And then permanent jobs, it's going to be around 150 and these are folks that are full-time G2X. Then, we'll have additional contractors," said Vail. Rase added, "Southwest Louisiana is growing stronger and stronger and it doesn't look like there's anything that will slow down future progress." Progress - some five years in the making - with construction set to begin this week. "We look to be in full commercial operation by the first half of 2019," said Vail. Fireworks lit up the sky following the ceremony, highlighting the excitement for what's ahead. Vail said hiring began the third quarter of last year.

### **G2X 3/16**

G2X Energy, a developer of advanced natural gas to methanol projects, along with their strategic partner the Proman Group, announced they have entered into an engineering services contract with Toyo Engineering Corporation (Toyo) for the detailed engineering needs on their previously announced world-scale methanol production facility located in Lake Charles, Louisiana. Toyo will be providing basic engineering for offsite and utility facilities and detailed engineering of the complete methanol facility. Once complete, the G2X facility, known as Big Lake Fuels Methanol Plant, will produce 1.4 million metric tons of commercial grade methanol per year. Construction on the Big Lake Fuels Plant will take approximately 3 years to complete and will add 2500 direct and indirect jobs to the Lake Charles area. For more information regarding G2X Energy, please contact Sandy Fitch at (713)943-2200 or [info@G2Xenergy.com](mailto:info@G2Xenergy.com). For interview opportunities, please contact Kathryn Smith at (713)252-5414 or (713)627-8777.

### **About G2X Energy, Inc.**

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### **G2X Update 4/16**

G2X has delayed its planned \$1.6 billion Big Lake Fuels methanol plant in Lake Charles, La. until the market rebounds somewhat even though G2X broke ground on the project in January. "The North American market is decent for growth, but certainly not on pace with all these [methanol] additions," Alvarado said. "A lot of it has to be targeted for export." The new Beaumont plant is expected to have a capacity of up to 1.75 million metric tons of methanol per year. "This acquisition fulfills one of our core funding objectives to become a major producer in the North American methanol market," Tim Vail, president and CEO of G2X, said in a statement. For the Beaumont plant, Consolidated Energy will handle methanol marketing and distribution, while G2X and Proman will contribute management personnel and technical leadership in the startup, operations and maintenance of the facility. "It allows them (G2X and Proman) to increase their domestic profile at a smaller cost," Alvarado said.

### **GOLDEN NUGGET 1/16**

The Golden Nugget Casino has been open just over a year and it's already expanding. It's been a lucrative first year for the Lake Charles casino, with nearly four million people visiting the facility. Casino executives made an announcement about the expansion. Construction is already underway for the new, \$85 million, 300-room hotel tower to be located on an acre of land on the south side of the Golden Nugget's pool area. The additional rooms will bring the hotel's total room count to 1,040. "It's going to be adjacent to our current

tower. They're connected with the main lobby so right behind our pool here. It's really supply and demand so there's more demand than we have supply so we're going to start construction here this month and hopefully complete it by the end of the year," said Gerry Del Prete, Golden Nugget Lake Charles' senior vice president/general manager. The new hotel tower will provide 300 additional hotel rooms, bringing up Golden Nugget's total room count to 1,040. The groundbreaking for the tower will take place later this month and the facility should be open by the end of 2016. (Golden Nugget Rush Tower Complete)

### **GULF SOUTH PIPELINE COMPANY, LP 7/17**

The Gulf South Pipeline Company's Westlake Compressor Project consists of a new natural gas compressor station which will house 10,000 hp of compression, construction of approximately 0.3 miles of 16-inch pipe, two meter stations, and other needed auxiliary and ancillary equipment. The project will allow Gulf South to deliver approximately 200,000 Dth/day of new firm service to Entergy's Lake Charles Power project. Construction of this project is planned to begin in the fall of 2018. The project's projected in-service date is August 1, 2019. Project costs are expected to be approximately \$56 million, which will generate at least \$900,000 in incremental annual tax revenue for Calcasieu Parish. Gulf South has received a zoning determination that the compressor station site is consistent with the Light Industrial zoning requirements established for the proposed location. Certificate application was filed on July 20, 2017. State/Federal permitting USFWS, SHPO, USACE also were filed in mid-July of 2017. The comment period on certificate application will close in late August 2017. Notice of intent to prepare an Environmental Assessment is expected by October 2017. Issuance of the Environmental Assessment is expected in the first quarter of 2018. The comment period on the Environmental Assessment typically closes 30 days after the Environmental Assessment is issued. Gulf South has requested that FERC issue a certificate of public convenience and necessity by March 15, 2018. An open house is planned for August 24<sup>th</sup> at Westlake City Hall, from 5:00 to 7:00 pm.

## **HOUSING DEVELOPMENTS**

Below is a list of housing developments in Calcasieu as approved by Calcasieu Planning and Zoning.

### **AUDUBON TRACE SUBDIVISION 4/14**

**Moss Bluff** – Located off Theriot Road in Moss Bluff, Audubon Trace Subdivision has been approved for a 182 (Phase I) single-family residential development. The square footage for these homes is 1600-2000 with each lot being 7,500 square feet and prices will range between \$150,000 and \$200,000. Lots will be available in December 2015. With the addition of Phase II, units will total approximately 700.

### **BEAU BLANC SUBDIVISION**

**South Lake Charles** – 238 lots located on the corner of South Park and Smith Road.

### **BELLE SAVANNE 5/13**

**Carlyss** - The construction of a development called Belle Savanne is underway in the Sulphur/Carlyss area. Master plan for the entire property includes over 12 acres of commercial and 15 acres of multifamily product. Phase one of the development will begin with an area off Ruth Street that is just under 100 lots (238 homes total with 81 in Phase 1 – lots completed and final plat in mid May 2015) with home building beginning in June 2015 and includes a lake. The remainder of the lots will be built out in additional phases (Phase 2 with 70 lots delivered in March/April 2016) with future plans for development over time accessing about 300 acres comprised of about 1,000 lots and approximately \$25 million dollars' worth of infrastructure. Carlyss Place Phase 1 should be ready for builders in September or early October 2015. Carlyss Place Phase 2 is scheduled to be delivered

in February/March 2016. With 1,000 lots in Belle Savanne, the expected housing construction expenditures will be approximately \$210 million. On top of the \$25 million in infrastructure, Belle Savanne expects to have approximately 100,000 sq. ft. commercial development with an additional \$15 million in infrastructure. Approximately 208 units in multifamily investments are expected totaling \$20 million with start date of May/June and deliver first units in mid-2016.

According to Lafayette developers, River Ranch Development Company is overseeing the project. The Lake Charles American Press reports an architect from Baton Rouge will design the homes using smart growth principles. This multi-use development will stress the attributes of traditional neighborhoods and include living areas where people can easily walk and bike, along with enjoying open spaces among homes and businesses.

### **Belle Savanne Update 2/15**

The first residential phase of Belle Savanne, 81 lots, will be completed in March, according to Thomas J. Foshee, III, P.E. of Southern Lifestyle Development. The roads are in. Construction on the multifamily housing will begin in three months. Signs of buildings going up could begin as early as late March or early April. The multi-living housing will offer 208 units consisting of a mix of one-bedroom, one-bath and two-bedroom, two-bath apartments that range in size from 600 to 1,200 square feet. The complex will also offer a pool, recreation center and pond feature. Home prices will be from \$160,000 to \$300,000 and ranging in size from 1,300 to 3,000 square feet. Builders include Manuel Builders. The name, Belle Savanne, means “beautiful grassland,” which described the area perfectly in its natural state.

### **BELLE SAVANNE (~1,100 total single family residential and 208 Apartments planned)**

- Belle Savanne Phase 1a and 1b: 151 lots are completed. DSLD Homes is currently building homes in this phase of development. They have a model home constructed and several spec homes completed. To date, they have closed or sold 82 homes and have ~15 specs available for purchase. They are selling approximately 5 to 6 homes per month in this community.
- Belle Savanne Future phases: We are designing the remaining 174 lots in Belle Savanne and will deliver the first 40 of these lots in November of 2017.
- Carlyss Place Phase 1: 76 lot phase is completed and builders are actively building and selling homes here. The builders in Carlyss Place are Manuel Builders Shivers Brothers, PL Industries, LLC, and Edric Rock.
- Carlyss Place Phase 2: Phase 2 is in design and will consist of 78 lots and should be delivered in late 2017/early 2018. The builders for this phase of development will be the same as those in Phase 1 of Carlyss. Mimoso Park Phase 1: This 80 lot phase of development was recently completed in July of 2016. DR Horton is building in this phase of the development and currently has approximately 10 homes in various stages of construction.
- Apartments: 208 apartments have been completed and actively leasing.

### **BERDON-CAMPBELL BUILDING LOFTS 5/14**

**Downtown Lake Charles** - Just in time for the season associated with rebirth – the long-vacant building at 619 Ryan St. is on the cusp of having a shot at a new life, probably as lofts. The new owner, Jerome Karam, Oakdale native, is no stranger to the Lake Charles area where he has family — or the process of breathing life back into strong structural survivors. “I see a lot of similarities between the architecture and potential of historical Galveston landmarks and the potential of Lake Charles downtown development. I’m excited to be working in Lake Charles,” Karam said. He also said that the building will be converted into 12 – 16 lofts. Karam Construction in Alexandria will

oversee the construction. Federal and state tax credits will also be available for work on the registered landmark. It sounds like the old Berdon Campbell Building has a chance to become something new and still retain its roots in the past, the perfect place from which to view the changing landscape of downtown Lake Charles.

**BRIDALWOODS COUNTRY ESTATES**

**Moss Bluff** – 18 units on the south side of Topsy Road in Ward 1.

**CHARLESTON POINT**

**Downtown Lake Charles** – 24 duplexes on Pithon Street in Lake Charles.

**CHATEAU RIDGE SUBDIVISION**

**Moss Bluff** – 38 lots for single family residential use on Dunn Ferry Road, Ward 1.

**COFFEY PINES**

**Moss Bluff** – Part 2, Phase 3 and 4 will have 37 units.

**COOLING SPRINGS RESIDENTIAL COMMUNITY**

**Chloe** – 5400 Highway 90 E with a possible 130 manufactured homes.

**COPPER RIDGE SUBDIVISION**

**South Lake Charles** - Mixed residential community located in 5200 block of Ogea Road.

**COUNTRY MEADOW ESTATES PHASE I SUBDIVISION**

**East Lake Charles** - 15 lot subdivision located in 3000 block of Ardoin Road.

**D. R. HORTON AMERICA'S BUILDER 7/13**

**South Lake Charles** – D R HORTON, the largest homebuilder in the United States, has submitted 15 permits to build homes in Graywood (Jasmine Neighborhood with 93 lots).

**DREAM VIEW ESTATES PHASE III**

**Moss Bluff** - 33 lot subdivision in 3000 block of N. Perkins Ferry Road.

**ELLA LANE SUBDIVISION**

**Moss Bluff** – 16 homes with 1,500 to 1,800 square feet on the northeast corner of North Perkins Ferry and E. Leichy Road, Ward 1.

**ELLSYE ESTATES SUBDIVISION**

In Jeff Davis Parish, 10 residential lots off Willie Road.

**ELM STREET APARTMENT COMPLEX**

**Center Lake Charles** – 2020 Elms Street in Lake Charles with 28 apartments and 9 homes.

**HOMEPLACE SUBDIVISION**

**Lake Charles** -18 lots located on the east side of Ward Line Road south of Natali Road, Ward 2.

**HORSE PARK ACRES**

**Chloe** – 103 lots for single family homes located on Manchester Road at the west end of Buckskin Drive in Chloe east of Lake Charles, Ward 8.

**GREY STONE ESTATES SUBDIVISION**

**Chloe** – 208 lots for single family residential use on 7800 block of Hwy 3256, Ward 8.

## **LA BORDEAUX SUBDIVISION**

**Moss Bluff** – 14 units with lots of 8,000 each north of Huval Drive, Ward 1.

## **LAC DEVELOPMENT**

**Moss Bluff** – Located in Audubon Trace, this development will have 17 units.

## **LAGNIAPPE ESTATES SUBDIVISION**

**East Lake Charles** - 17 lot residential development located in the 5000 block range of Highway 14.

## **LAKES AT MORGANFIELD 5/13**

**Lake Charles** - The Lake Charles City Council has approved annexing 277.4 acres of land located off of La. Highway 14 and, according to developers, the land is going to be used for the construction of a subdivision called the Lakes at Morganfield. River Ranch Development Co., based in Lafayette, is overseeing the project. Company spokesman told the city council that 1,000 residential units will be constructed. The American Press reports an architect from Baton Rouge will design the homes using smart growth principles. This multi-use development will stress the attributes of traditional neighborhoods and include living areas where people can easily walk and bike, along with enjoying open spaces among homes and businesses. Baby boomers and young adults alike want these types of neighborhoods, of which River Ranch in Lafayette is considered one of south Louisiana's best success stories. Property is located at the intersection of East McNeese Extension and Corbina Road.

The plan at Morganfield is to begin building homes priced between \$250,000 and \$295,000, followed by the construction of homes priced from \$170,000 to \$210,000 before building more expensive structures. Along with the residential community, 500,000 square feet of commercial space would be provided along with recreational facilities. The general conceptual plan for the mixed residential and commercial development has been submitted. They are planning to build aspects of a traditional neighborhood development with conventional housing and green space. Initially 112 homes sites are proposed with an amenities package (Phase 1 Lakes at Morganfield 112 conventional single family lots will be completed and final platting by late May 2015). Then expand to 600 to 700 homes over a five to eight year period (Phase 2 Lakes at Morganfield consists of 90 delivered in March 2016) which includes the Village at Morganfield (Phase 1 with 91 units is under construction and 40% complete with final platting in August 2015) and the Crest at Morganfield (Phase 1 conventional single family with finished lots in April/May of 2016).

Residential infrastructure expenditures for Morganfield would be approximately \$40 million. It is expected to have more than 500,000 sq. ft. of commercial property over the build out of the project amounting to \$75 million dollars of commercial property development. At a minimum, the 300 units of multifamily would amount to \$30 million in multifamily development costs. The Morganfield development with approximately 2,000 lots expects the housing construction expenditures to reach approximately \$350 million over the life of the project. River Ranch Development Company has also purchased additional property on Hwy 14 west of Manchester Road where 575 lots have been purchases for further development. This new development is named Oak Grove (Leonard's Property) with an estimated \$14,500,000 in capital investments.

### **MORGANFIELD (~2,500 total single family residential and 162 Apartments)**

- Lakes at Morganfield Phase 1: 112 conventional single family lots have been completed and builders are actively constructing and selling homes. This phase of development has 5 different builders simultaneously building homes.

- Village at Morganfield Phase 1: The first phase (91 lots) in the Traditional Neighborhood development (TND) is completed. Approximately 4 to 5 different builders are building homes in this community.
- Lakes at Morganfield Phase 2: Phase 2 will consist of ~120 lots, which should be delivered in 2018.
- Crest at Morganfield Phase 1: This is a conventional single family phase of development (83 lots) that was completed in October of 2016 for DR Horton. DR Horton has 10 to 15 homes actively under construction.

#### **MCMILLIN PLACE SUBDIVISION**

Moss Bluff - 22 lot residential development located in 1900 block of Sutherland Road.

#### **NINE OAKS SUBDIVISION**

South Lake Charles - 21 lots located at 851 E. Tank Farm Road.

#### **OAK CREEK VILLAGE SUBDIVISION**

Sulphur - 120 lot subdivision on South Beglis Parkway.

#### **OAK GROVE/HIGHLAND HILLS**

**Lake Charles** – Square footage of the Oak Grove homes will be 1,500 to 2,000 and range from \$170,000 to \$220,000. Construction has begun on 70 lots with projected completion in January/February 2016. Construction on 58 lots in Highland Hills is also scheduled to be completed in January/February 2016 with home building to begin in March 2016. Oak Grove property is located on Hwy 14 East just west of Manchester Road. Highland Hills is located in the 4800 block of Hwy 14 east.

#### **OAK GROVE/HIGHLAND HILLS (440 total single family residential lots)**

- Oak Grove Phase 1: Construction is complete on the first phase (70 lots) as of April 2016. DSLD Homes is the builder in this community and they have sold or closed 11 homes to date and have 13 specs available for purchase.
- Highland Hills Phase 1: Construction is complete on the first phase (58 lots) as of April 2016. Manuel Builders, Shivers Brothers, and Crescent Builders are actively constructing homes to sell in this community.

#### **PENTANGELI ROW SUBDIVISION**

Moss Bluff – 48 lots for single family residential use on Khamiel Drive, Ward 1.

#### **RIVER TRACE PHASE II SUBDIVISION**

22 lots located at 3800 River Moss Lane in Westlake.

#### **ROSEVILLE ESTATES**

Moss Bluff – Part 1 with 7 houses on 9.5 acres on the west side of Paul White Road and Part 2 with 38 lots on 53 acres, Ward 1.

#### **SEARS BUILDING/NEW DOWNTOWN DISTRICT FACILITY 6/13**

**Downtown Lake Charles** - In November of 2012, the City of Lake Charles entered into an agreement to sell the former Sears retail site according to the authority granted by the Lake Charles City Council after the legal process of declaring the property as surplus. City officials used federal funds to clean the property before the former Sears structure was demolished in 2008. Of the three developers who expressed interest in the 3.5 acre property in the downtown district, the Lake Charles

City Council chose Roger Landry, who had offered to buy the land for \$1.065 million and build a mixed residential and business facility. Landry intends to pay cash for the property and wants to build 170-plus residential units and provide 22,000 square feet of business space on the property. He estimates that the facility would cost \$20 million to construct and construction could start in about 1 ½ years allowing time for the engineering and architectural work to be done. Purchase documents were executed on June 12, 2013 and the proceeds of the sale were disbursed to the City of Lake Charles the following day. After an environmental due diligence period which was extended once, finalizing the title curative matters which were related to contracts filed in connection with the environmental remediation work on the site, the closing is complete.

#### **Update on Old Sears (Erdace) 2/16**

Construction on the old Sears property is estimated to begin by December 1. The city purchased the property in 2006, and then demolished the building in 2008. Roger Landry purchased the property from the city in 2013. Originally the plans called for mixed-use development. While Landry said their plans have changed, they now have a construction start date, which is a big step forward. “Construction is estimated to start about December 1,” said Landry. Landry said they’re now “building a 350,000 square foot building with four floors, 268 units and a parking deck that will accommodate 381 cars.”

Originally, a \$20 million mixed-use development of retail and housing, Landry said it’s now a bigger project, costing \$38 million – but just housing. “The retail is not feasible. We have 17,000 square feet of retail available already downtown. And we do apartments”, explained Landry. Landry – who also developed Muller’s across the street – said they’ll bring the people. It’s something council member Mark Eckard said is desperately needed. “It’ll bring that life that we need downtown, not only during the daytime but during the night as well, so that businesses will be able to thrive,” said Eckard. And with more people, paying roughly \$1,000 - \$1,500 a month per unit, Landry said it means a bigger economic impact. “Under the current millage rates, we’ll spin off about \$225-\$225,000 per year in property taxes,” said Landry.

While it’s taken some time to get here, Eckard said it shows how the city can work with a private developer. “We were able to take property that was blighted and turn it into property that can be used in the private sector and used for business development,” he said. And with a groundbreaking set for December, Landry said they plan to have these 3.5 acres transformed in 15 months. “This is really going to impact downtown tremendously,” said Landry. Landry said they plan to house about 500 residents between the Muller’s lofts and their new development which now has a name – **Erdace** – after Landry’s three daughters first and middle initials.

#### **SHADY OAKS SUBDIVISION**

**Sulphur** – Phase 2; 65 lots for single family homes on Kassy Lane, Ward 6.

#### **SHADOWS AT BAYOU OAKS**

**Carlyss** – Phase 1 begins with 57 units (a least 10,000 sq. foot lots) on the west side of Pete Seay Road in the 4900 Block of Carlyss, Ward 4.

#### **STONE BRIDGE SUBDIVISION**

**Iowa** – 448 lots on 160 acres for residential use on 4862 Lane Road, Ward 2.

#### **SUGARCANE SUBDIVISION**

**Iowa** – 179 acres with 517 single family and 144 multi-family residential development located at 8100 Highway 3256, Ward 8.

### **SUTHERLANDS SUBDIVISION**

**Moss Bluff** – Phase 1 will have 29 units, Phase 2 and 3 will have 64 additional units for a total of 99 lots on the east side of Sutherland Road in Ward 1.

### **TAYLOR ESTATES SUBDIVISION**

**Carlyss** - 33 lot residential subdivision located at 4760 Carlyss Drive and the 600 block of Langford Road south of Sulphur.

### **TERRE SAINTE**

**Lake Charles** – 85 lots on Sallier Road in Lake Charles.

### **THE ISLES**

**South Lake Charles** – 64 upscale duplex townhomes with garages and a coastal cottage aesthetics located on Ihles Road.

### **WALNUT GROVE DEVELOPMENT 12/12**

**Lake Charles** - Activity on 60 acres on the west end of Sallier Street down from the Port of Lake Charles is more than five years of work and the centerpiece of the future Walnut Grove Development. The name Walnut Grove has historic roots to the original Walnut Grove more than 100 years ago and was at one time a recreational destination of sorts for the Lake Area. A mixed-use community, it will have residential property of various types with a starting price of \$290,000 and also have commercial property. It will be a walkable community where everything will be within a five minute walk – a lot of connectivity in terms of the street layout, walking routes and proximity. The town square will feature the Lawton Building, a large three-story facility that will house businesses. There will also be a grocery market, a restaurant as well as a bank and post office. Another feature will take a boardwalk through the natural marsh area on the property. Intended to create a public realm that is warm and inviting, Walnut Grove also features a quaint square, charming train depot, beautiful tree-lined streets, landscaping, as well as Contraband Bayou and many public greens. Nearby the first of 180 homes are now under construction to give people a flavor of what Walnut Grove will have to offer. It is expected to take seven years to completely finish Walnut Grove. Ribbon Cutting ceremony was held November 7, 2013.

### **WAIT ESTATES**

**Lake Charles** – 13 acres to be divided into 22 lots for single family houses and manufactured homes.

### **WEEPING WILLOW ESTATES**

East Lake Charles/Chloe - 36 residential lot development in the 5100 block of Lane Road.

### **WEST END**

**Sulphur** – 105 units with a minimum of 1,700 square feet homes slated to begin ground work in September 2015 and construction in February 2016. Located on the northwest corner of west Houston River Road and Gill Drive in Ward 4, this 120 acre restricted development with 1 acre lots and will feature French country architecture, approved for mechanical sewer systems, underground utilities and four internal asphalt paved streets.

### **WEST M EXPANSION**

**South Lake Charles** – 200 additional apartments on McNeese Street in Lake Charles.



### **WILLOW BROOK 4/13**

**Lake Charles** - The Willow Brook neighborhood project, which will be near Graywood, is moving forward. Thirty acres of land will house 138 new single family homes. The subdivision will be located on the west side of the 5800 block of Gray Market Drive. Homes will meet Graywood standards and be 1,600 to 2,500 square feet. No date published as to when the construction will begin on the property located on the west side of the 5800 block of Gray Market Drive.

### **WISTERIA VINE, PHASE 3 SUBDIVISION**

**Moss Bluff** - 16.24 acres in 800 block of You Winn Road with 63 lots for residential homes.

### **I-210 BRIDGE REPAIR BEGINS MID-SUMMER 1/16**

The I-210 bridge is set to undergo extensive repairs, as early as this summer. DOTD presented a report at the Calcasieu Parish Police Jury meeting outlining repairs. Todd Landry with DOTD, says the project will last approximately two years, "The letting is scheduled for March which means construction will probably begin this summer." Repairs include replacing the main span deck - which Landry says is nearing the end of its life, "The main span deck is 930 feet long. It has to be replaced."

Approximately 50 years old, the I-210 bridge plays a critical role for the I-10 corridor by serving as an alternate route and major thoroughfare for local traffic. While the bridge will remain open to traffic during the project, to help ease congestion, Landry says they'll try to keep three lanes open as much as possible. "The total length of the project is two years. That doesn't mean we'll be down to two lanes for two years. We're trying to minimize that time for only the time it takes to replace the main span deck," explained Landry. The roughly \$20-30 million project will also include more modern bridge railing and new roadway lighting. "At the end of this project the whole thing will be lit from Cove Lane interchange basically all the way to I-10," said Landry. After bids come in, Landry says DOTD will come before the police jury once again with an updated traffic control plan.

### **Update on 210 Bridge 9/16**

Bids for the Interstate 210 bridge repair project will be submitted Nov. 16, but it remains unclear when the work will begin, stated an official with the state Department of Transportation and Development. The estimated \$35 million project calls for removing and re-decking the bridge's 930-foot main span and changing barrier rails. Todd Landry, DOTD administrator for District 7, told Calcasieu Parish police jurors that the project is needed because of "the age and condition of the bridge. We're going to replace all of the barrier rails, which are not crash-worthy by today's standards," Landry said. The decks are beginning to deteriorate to the point that pre-emptive action is needed. Landry said a mandatory pre-bid meeting is set for Oct. 5, at the DOTD office in Baton Rouge. "Because of the complexity of the project, we want to make sure (contractors) are aware and have the opportunity to ask questions," he said.

Once a contractor is chosen, a notice to proceed with the work could be issued by January or February, after which Landry said there will be a 100-day assembly period. In the meantime, crews will begin work on the project's first phase, replacing bridge joints on Interstate 10 bridge. Landry said there are 60 calendar days to finish that work. As crews work on the I-210 bridge, Landry said the bridge will be reduced to one lane in both directions for at least two years. The project in its entirety, including the I-10 work, could take 36 months possibly," he said. Landry said all 18-wheeler traffic will be diverted to the I-10 bridge or other highways as long as the I-210 bridge is down to one lane in both directions. Landry said new safety walkways will be installed on the I-210 bridge. He said this will prevent lane closures on the bridge during inspections, which are done biennially. "Just to do an inspection every other year is a \$200,000 issue," Landry said. Landry said he would give police jurors updates every quarter once the project gets underway.

### **INDORAMA VENTURES 9/15**

**Carlyss Area** - Gov. Bobby Jindal and Group CEO Alope Lohia of Indorama Ventures announced the company will renovate and restart a dormant ethane cracker west of Lake Charles, Louisiana, where Indorama Ventures will make a \$175 million capital investment. Based in Bangkok, Thailand, Indorama Ventures Public Co. Ltd., or IVL, has through its U.S. subsidiary, Indorama Ventures Olefins LLC, acquired the dormant ethane cracker facility and approximately 250 acres.

With the project, IVL will create 125 new direct jobs with an average annual salary of \$50,000, plus benefits. Louisiana Economic Development estimates the project will result in an additional 481 new indirect jobs, for a total of more than 600 new jobs in Southwest Louisiana. The company estimates the project will generate up to 600 construction jobs at peak building activity.

IVL already produces purified ethylene oxide and mono ethylene glycol in the U.S., with ethylene being the primary feedstock. The project in Carlyss will generate a production capacity of 370,000 metric tons of ethylene and 30,000 metric tons of propylene per year, with the facility capable of processing both ethane and propane. IVL currently runs intermediate petrochemical manufacturing sites located in Texas, Alabama, Georgia, North Carolina and South Carolina.

“This acquisition will make us well-placed to receive cost-advantaged ethane and propane feedstock,” Lohia said. “We are targeting a commercial startup before the end of 2017, which will make us the first Thai company to take advantage of the shale gas revolution in the United States and ahead of the greenfield crackers being constructed. Indorama Ventures is acquiring the ethane cracker site and facilities as a joint investment with Singapore-based Indorama Corporation. IVL considered options in other states, including Texas, but chose Louisiana for the availability of an existing cracker facility and the strength of the state’s workforce training programs and other incentives.

LED began project discussions with Indorama Ventures in April 2015. To secure the project, the State of Louisiana offered the company a competitive incentive package that includes a \$1.5 million performance-based grant to offset site infrastructure costs. IVL also will receive the comprehensive workforce solutions of LED FastStart® – the nation’s No. 1 state workforce development program. In addition, the company is expected to utilize Louisiana’s Quality Jobs and Industrial Tax Exemption programs.

#### **About Indorama Ventures**

Indorama Ventures Public Company Limited, listed in Thailand (Bloomberg ticker IVL.TB) is one of the world’s leading petrochemicals producers, with a global manufacturing footprint across Africa, Asia, Europe and North America. The company’s portfolio is comprised of necessities and high value-added categories of polymers, fibers and packaging, and is based on selectively self-manufactured ethylene oxide/glycols and PTA, or purified terephthalic acid, where economical. Its products serve major players in consumer products, such as beverages, hygiene, personal care and safety segments. IVL has 14,000 employees worldwide and consolidated revenue of \$7.5 billion in 2014. For more information, visit [IndoramaVentures.com](http://IndoramaVentures.com).

#### **About Indorama Ventures Olefins**

Indorama Ventures Olefins LLC, a subsidiary of Indorama Ventures, will own and operate the ethylene cracker facility near Lake Charles, Louisiana.

#### **About Indorama Corporation**

Indorama Corporation is a leading Asian industrial company based in Singapore with manufacturing plants in over seven countries across Asia, Europe, and Africa. Indorama Corporation is the largest producer of olefins and polyolefins in West Africa and the second-largest in Africa. It also produces other industrial products, such as fertilizers, textile raw materials, and disposable gloves.

### **ISLE OF CAPRI CASINO HOTEL AGREES TO SELL TO LAGUNA DEVELOPMENT 8/16**

Isle of Capri Casinos, Inc. (NASDAQ:ISLE) announced that it has entered into a definitive agreement to sell the Isle of Capri Casino Hotel Lake Charles to an affiliate of Laguna Development Corporation ("LDC"), a Pueblo of Laguna-owned business based in Albuquerque, New Mexico. Under the terms of the agreement, Kicks Entertainment, LLC, a newly formed entity owned by LDC and Eagle Holdings, LLLP, will purchase Isle of Capri Casino Hotel Lake Charles for cash consideration of approximately \$134.5 million, which represents 7.8x fiscal 2016 Adjusted EBITDA, subject to a customary working capital adjustment.

Eric Hausler, chief executive officer of Isle of Capri Casinos, commented, "This transaction provides us with an opportunity to unlock significant value for our shareholders. On a pro forma basis, we expect the transaction to increase Adjusted EBITDA margins, while further deleveraging our balance sheet. Following the completion of the sale, we intend to use the cash proceeds we receive from this transaction to reduce debt and for other corporate purposes. "We have enjoyed owning and operating Isle of Capri Casino Hotel Lake Charles for more than 20 years, and we appreciate the hard work and dedication of our team. While we work on a smooth transition to Kicks Entertainment, LLC, our focus remains on providing our customers with the great experiences they have come to expect from Isle of Capri Casino Hotel Lake Charles."

Isle of Capri Casino Hotel Lake Charles will be accounted for as discontinued operations beginning in the fiscal 2017 second quarter. The sale is expected to close in late fiscal 2017/early fiscal 2018, subject to the approval of the Louisiana Gaming Control Board, the expiration or termination of the waiting period under the Hart-Scott-Rodino Act, as well as customary closing conditions.

#### **LAKE CHARLES LAKEFRONT DEVELOPMENT 6/15**

**Downtown Lake Charles** - Steven Oubre of Architects Southwest presented a draft of its lakefront development design plan to the Downtown Development Authority during the June meeting. The preliminary plan lays out a design concept and illustrates the development potential of the property along the north side of the Lake Charles lakefront including the land donated by Pinnacle to the City.

The plan's concept is based on the design standards that originated from a series of public hearings on the lakefront property held between 2006 and 2007. At that time, a plan for development was created and approved by the City Council and then by voters in a public referendum with more than 80 percent voting to approve the plan. The Downtown Development Authority will consider a resolution recommending the plan to the City Council in June.

Oubre will also make a presentation to the City Council at the agenda meeting in June and the Mayor will then ask that a resolution to approve the plan and begin the process of selecting one or more developers be placed on the agenda. The earliest that the Council could consider this resolution would be July. The public will be able to comment on the project at both meetings. Pending approval, the City intends to begin soliciting offers from developers by late July and to be prepared to recommend the best proposal or combination of proposals to the Council for approval in October.

The suggested master plan calls for a hotel, retail, restaurants, living accommodations, boat docks, and public piers, which allow for commercial development along the lakefront while maintaining public access. The plan incorporates Lake Charles historic architecture into its design standards and also uses existing features including Bilbo Cemetery and the parking deck. For more information, call 491-1429.

#### **LAKE CHARLES METHANOL LLC 12/16**

The US Department of Energy offered a conditional commitment to guarantee loans of up to \$2 billion to Lake Charles Methanol, LLC to construct the world's first methanol production facility to employ carbon capture technology in Lake Charles, Louisiana. The captured carbon would be utilized for enhanced oil recovery (EOR) in Texas. This project would represent the first loan guarantee made under the Advanced Fossil Energy Project solicitation issued by the Department's Loan Programs Office (LPO).

If constructed, the project would also be the first petroleum coke (petcoke) to methanol facility in the US. According to the DOE, by using petcoke as the feedstock and employing carbon capture at the project, the proposed project will reduce emissions of carbon dioxide that would otherwise be released.

“This conditional commitment represents a major milestone in the Department’s efforts to scale up carbon capture utilization and sequestration and continue American leadership in advanced fossil energy technologies,” said US Secretary of Energy Ernest Moniz. “The Department’s Loan Programs Office has received more than 70 applications to its current solicitations for almost \$50 billion in loans and loan guarantees, which can allow projects to leverage additional private dollars for major infrastructure projects that will create thousands of good-paying American jobs and generate cleaner energy in the future.”

Overall, Lake Charles Methanol anticipates a \$3.8 billion infrastructure investment for the project and will create an expected 1,000 construction jobs and 200 permanent jobs in Louisiana. The project will also create roughly 300 jobs in Texas for EOR activities.

Gov. John Bel Edwards of the State of Louisiana said, “DOE’s decision to issue a conditional commitment of up to \$2 billion to Lake Charles Methanol proves that Louisiana is a great place to do business and that Louisiana has a promising future in clean energy projects. This project demonstrates how government and private enterprise can work together to support energy technologies that improve the environment while creating new jobs and economic development.”

The proposed plant will produce methanol, hydrogen, and other industrial gases and chemical products. The carbon dioxide captured from the petcoke gasification plant will be compressed for commercial pipeline transport. The captured carbon dioxide will be transported to oil fields in Texas for EOR, resulting in sequestration of 4.2 million metric tons of carbon dioxide annually.

## **LAKE CHARLES REGIONAL AIRPORT 9/15**

### **Regional Airport Update 5/16**

**South Lake Charles** - Lake Charles' airport is home to roughly 7,000 commercial flights and over 40,000 other flight operations each year. Starting March 5, crews start work on a major project that will take the airport's primary runway temporarily out of service. "We'll be using runway 523 which is our secondary runway," said the airport's Executive Director, Heath Allen. "It's a little bit shorter, but we can still send our commercial flights off of that runway." For 90 days, the primary runway, number 153, will undergo a rehabilitation project to replace cracked concrete. "We're replacing about six percent of the total concrete on the runway. Its full depth replacements," said Allen. "We're doing a complete joint seal of the runway, which are the joints to protect and keep the water and things like that from the joints in the concrete. We're also going to remark the runway and redo all the rubber deposits on the runway." It's a \$2.2 million dollar project that will reflect a change in times with newer, modern equipment. "We're putting in some new markings that are relatively new in airports," Allen said. "They're thermoplastic markings as opposed to painted on markings on some of our markings anyway." Allen said travelers won't be inconvenienced by the project and the closure of the runway, saying it's just routine maintenance. "Maintaining the integrity of the pavement itself," he said. "If you put maintenance off and put it off you end up with a much bigger problem."

### **Update LC Airport 9/16**

Lake Charles Regional Airport Authority board members finalized bid acceptance on two improvement projects that will cost over \$2 million dollars, and they moved forward on a number of other improvement projects. The two projects that made it past the bidding stage were the \$500,000 rehabilitation of an old aircraft rescue and firefighting vehicle and a \$1.6 million new taxiway lighting system project. The airport received a grant for the lighting system in August, but has yet to receive the funding. This will be the final phase in their initiative to update all airfield lighting

to LEDs and get wiring in conduit. Both projects will be funded by state and federal dollars and won't use any local funds.

Board members also approved a new bank account for a rental car wash and fuel maintenance facility that's currently underway. They also approved a fee structure in which the airport would bill the tenants monthly on their use of the wash and maintenance facilities. Another revenue source the board approved was granting permanent right-of-way on 3.59 acres of airport property to Bayou Bridge Pipeline for about \$170,000. The pipeline will pump crude oil through the southern portion of the state. The vast majority of the land affected by the pipeline is unusable.

### **LAKE CHARLES LNG/Shell (BG Group/Lake Charles LNG Export/Energy Transfer Equity) 4/12**

**Lake Charles Area** – Lake Charles LNG Export Company, LLC (“LCL”), formerly Trunkline LNG Export, LLC, filed with the Federal Energy Regulatory Commission (“FERC”) to build the previously announced Lake Charles natural gas liquefaction project (“Project”) under development in Lake Charles. Energy Transfer Equity acquired the existing regasification facility from Southern Union in March 2012. The Project is being developed to liquefy domestic supplies of natural gas for export to foreign countries in order to meet the growing world-wide demand for LNG. Exporting LNG to the world market will provide a wide range of economic and employment related benefits for the United States. If this Project goes through, it is likely to see several thousand construction (approximately 4,000) jobs and about 200 new permanent jobs. As part of the Project, Trunkline Gas Company plans to extend its interstate natural gas pipeline approximately half a mile to provide feed gas to the liquefaction facility. The Project is currently planned to export up to 15 million metric tons per annum (mtpa), which is the equivalent of approximately 2 billion cubic feet per day of natural gas. The Project is located on property owned by LCL and the Lake Charles Harbor and Terminal District.

### **Lake Charles LNG Update 10/13**

In August 2013, the U.S. Department of Energy conditionally granted authorization to Energy Transfer and BG Group to export from the existing Lake Charles LNG terminal up to 15 mtpa of LNG to non-FTA nations. The proposed Project will include the construction of three liquefaction trains and will use the existing LNG storage and marine berthing facilities owned by Lake Charles LNG Company, LLC (“LCLNG”). LCL has secured all property rights required for the site of the liquefaction facility. While LCLNG continues to own the existing regasification facility and LCL will own and finance the proposed new liquefaction facility, BG Group will oversee the engineering and design and will manage construction of the facility, as well as operate the combined facility. FERC issued its draft EIS on April 10, 2015 and FERC authorization is expected in November 2015. The Louisiana DEQ issued the final air permit for the Project on May 6, 2015. Pending final investment decisions from both Energy Transfer and BG Group in 2016, construction is expected to start in 2016, with first LNG export anticipated in 2020. The total for capital investment is approximately **\$10 billion**.

### **BG Group cleared for LNG Plant in Louisiana 12/15**

British energy company BG Group said it was cleared by U.S. regulators to start building a liquefied natural gas export facility in Lake Charles, La. "We are pleased to receive the approval from the Federal Energy Regulatory Commission, an important milestone as we progress the Lake Charles project towards a final investment decision," BG Group Chief Executive Helge Lund said in a statement. The project in Lake Charles has conditional approval from federal regulators to export up to 2 billion cubic feet of natural gas per day in the cooler liquid form. FERC approval is the last step in the regulatory process needed for development of the LNG facility, which BG Group is planning alongside its partners at Energy Transfer Equity and Energy Transfer Partners.

The approval comes at a time when major construction projects are endangered by lower energy prices. With lower crude oil prices starving companies of capital, BG Group has passed the regulatory hurdles to merge with Royal Dutch Shell. Once completed, it would be the largest merger since Exxon and Mobil teamed up in the 1990s. Jason Klein, a general manager for BG Group's assets in the United States, said the LNG facility could provide a stimulus for an energy sector depressed by lower crude oil prices. "Lake Charles LNG has the potential to create several thousand jobs during construction and if fully operational could result in approximately 250 long-term operational positions -- sustainable jobs for current and future generations," he said in a statement. BG Group said a final investment decision on the Lake Charles facility is expected by next year. Construction should start immediately after that decision, with first exports planned for 2020.

#### **Shell delays final investment decision on Lake Charles LNG project 8/16**

Shell has decided to delay its final investment decision (FID) for its proposed Lake Charles LNG export project in the United States; the FID was expected in 2016 but worst-than-expected quarterly results and financial charges related to the acquisition of the BG Group prompted the company to postpone further investments. The Lake Charles LNG project was developed by the BG Group and consists of three 5 Mt/year liquefaction trains. The project was approved by the US Federal Energy Regulatory Commission (FERC) in December 2015. Earlier in July 2016, the LNG Canada partners (Shell with 50%, PetroChina with 20%, Mitsubishi Corporation with 15% and Kogas with 15%) delayed again a final investment decision (FID) on their 12 Mt/year LNG Canada project that was planned for late 2016. Shell is carrying out a US\$30bn asset divestment programme. The group has already completed (or nearly completed) the sale of US\$3bn of assets and is in discussion to divest other assets. In 2016, Shell plans to sell US\$6-8bn of assets. The group is also expected to meet its dramatically-cut annual capital investment programme of US\$29bn.

#### **Lake Charles LNG Update 9/16**

Lake Charles LNG recently submitted a report to the Federal Energy Regulatory Commission detailing the progress the company made on its local liquefaction project in August. The company was officially granted approval by FERC to construct and operate the facility in December 2015. The project will include the construction of three liquefied natural gas trains with a combined outlet capacity of 16.2 tons per year. The facility will allow Lake Charles LNG to liquefy domestically produced natural gas for export. And when integrated into the existing regasification and import facility, company officials said the new liquefaction facility will make the site "a bidirectional facility capable of exporting and importing LNG."

According to the filing, Lake Charles LNG received all required federal authorizations related to the liquefaction facility and modifications to the existing LNG terminal. On July 8, the company submitted a Request for Variance Authorization for the relocation and replacement of communications facilities. FERC approved the request July 15. Lake Charles LNG officials have said the "tower is being relocated to improve terminal security by reducing the amount of traffic" and personnel entering the terminal facilities. The work will also enhance the company's ability to turn over the terminal site to the contractor when construction begins. In the filing's section on the project construction activity, company officials said "erosion controls related to disturbed areas will continue to be monitored and maintained" in accordance with the site's storm water pollution prevention plan. The report also showed no problems were encountered during the month's activities, and there were no non-compliances during the reporting period.

#### **LAKE CHARLES MEMORIAL HEALTH SYSTEM 10/14**

**Lake Charles Area** - The Lake Charles Memorial Health System is investing \$55,000,000 in capital over the three year period from 2014-2016. They began the investments with the recent expansion of the GI Center and addition of a second MRI unit. Additionally, construction is in process to expand the emergency department and the intensive care unit, all located at the hospital's main campus at 1701 Oak Park Blvd.

They have also begun construction on the new medical office building located on Nelson Rd., which is part of the \$55 million expansion projects and is scheduled to open next year.

### **LCMH Update 9/16**

Lake Charles Memorial Health System broke ground last week on a \$19 million behavioral health hospital in South Lake Charles. Memorial's new behavioral health hospital will be built adjacent to the Memorial Hospital for Women campus. A team of architects and medical staff took a year designing the new hospital by looking at some of the best facilities in the nation. The first phase is set to open in 2017 and will consist of two units: a 28 bed adult unit and a 14 bed adolescent unit. The current adult unit on the 10th floor of Memorial's main campus will be converted to a 30-bed geriatric unit. Patients will no longer need to go to the emergency room to access behavioral health services. They will be able to go directly to the new hospital and receive a free assessment and recommendation on the type of treatment they may need, whether that is outpatient care, day program or inpatient hospitalization. Psychiatrist Dr. Dale Archer, Jr, made a major donation towards the new hospital. It will be named to honor Dr. Archer's legacy as a leader and mental health advocate in Southwest Louisiana.

### **LIVE OAK LNG 2/15**

**Moss Lake Industrial Area --** Gov. Bobby Jindal and Live Oak LNG chairman Martin Houston announced that the Houston-based company will develop a liquefaction and liquefied natural gas export terminal that will open in 2019 in Calcasieu Parish. The \$2 billion plant will be located on the Calcasieu Ship Channel, west side of the Industrial Canal, on about 350 acres. The proposed facility, Live Oak LNG, will consist of four trains each capable of producing 600,000 metric tons of LNG each year. The plant will be designed for capacity of up to 5 million metric tons per year and will include two storage tanks capable of holding up to 130,000 cubic meters of LNG, along with port facilities that will accommodate standard-sized LNG carriers. It will create 100 direct jobs and 385 indirect jobs. The permanent jobs will pay an average salary of about \$75,000 before benefits. The project is also expected to create 1,000 construction jobs over a three year period. Live Oak LNG is the eighth project of its kind planned for the region. The project is currently in initial definition phase, which is scheduled to conclude in spring 2015.

Live Oak LNG is a subsidiary of Houston-based Parallax Energy, launched last year to develop global LNG projects and a natural gas supply and trading business. Live Oak LNG is in the initial stages of developing a liquefied natural gas (LNG) export terminal. They will maintain open communications with the community and provide ongoing opportunities for a two-way dialogue on the project. The preliminary permit applications will then be filed with FERC, as well as state and local authorities, commencing the formal public processes and environmental assessments. The detailed development review and consultations are expected to result in a final notice to proceed from FERC and state agencies in the second half of 2016 with construction commencing shortly thereafter. Live Oak will hold Open House meetings as a forum for the public to learn more about the project and communicate directly with Live Oak team members. When all necessary requirements have been met and approved, a Notice to Proceed is issued by FERC. The Live Oak LNG terminal will not begin its day-to-day operations until all permitting authorizations are obtained and all federal, state and local approvals have been granted. Company executives hope to receive all of their permits from the Federal Energy Regulatory Commission by the end of 2016. Live Oak LNG is scheduled to complete construction at the end of 2019.

Martin Houston, Parallax Energy's chief operating officer, said his company looks at energy "from a different perspective." The Live Oak LNG facility, he said, will provide an "efficient, cost-effective way to safely deliver similar and smaller amounts of clean fuel to global buyers who can purchase (LNG) incrementally." Houston, a 30-year veteran of the British-based BG Group, said the gas-price cycle has hit its bottom. Still, he said, the Live Oak LNG project will go forward amid all of the "commodity carnage" because it is a long-term project. "We really don't care what the price is today," Houston said. "We care about what the price will be for the next few decades." Houston said customers today want to buy LNG in incremental volumes as

they grow their businesses. He said the project already has potential global buyers. Houston told the American Press that in order for Live Oak LNG to sell low-cost LNG, Parallax must bring the cost of manufacturing down “to its lowest possible level.” He said that while the company is committed to building and operating the plant safely, production costs remain his primary focus. “We are always going to focus on cost because oil prices are going to go up, and they are going to go down again,” Houston said. “By the time we’re producing in 2019, it will have gone up and down many more times. So, we want to make sure that we’re prepared.” Houston said Parallax will begin the project’s permitting process with federal regulators “within this quarter.” He said he will apply for the U.S. Department of Energy’s free trade agreement and non-FTA export licenses to ship up to 5.2 million metric tons of LNG. “That allows us to build up to eight of our little trains,” Houston said. “But we can build them incrementally. We’re not going to build them all at once. But it’s very much about the customers coming to us and saying that they like what we are doing.”

### **MAGNOLIA LNG 1/13**

**Lake Charles Area** —Magnolia LNG announced the company’s plans to develop a \$2.2 billion natural gas liquefaction production and export facility at the Port of Lake Charles. The LNG project would create 45 new permanent jobs, with an average salary of \$75,000 per year, plus benefits. LED also estimates the project would result in 175 new indirect jobs. In addition, the LNG project would require an estimated 1,000 construction jobs. The company expects to make a final investment decision to move forward with the project in late 2014, after it secures permits and completes financing. The mid-scale LNG facility would be located on 90 acres at the port’s Industrial Canal, off the Calcasieu Ship Channel. Magnolia LNG would produce 4 million metric tons of liquefied natural gas per year, and construction would begin in 2015 pending the company’s attainment of permits and final financing.

Magnolia’s project would be positioned for direct access to several existing gas pipelines. Using its patented Optimized Single Mixed Refrigerant process, or OSMR™, Magnolia LNG would produce liquefied natural gas more efficiently with fewer emissions than other LNG processes. OSMR™ adds conventional combined heat and power technology with industrial ammonia refrigeration to enhance the performance of the liquefaction process. Magnolia LNG would distribute to domestic markets as well as countries that have free trade agreements with the U.S. The company also will explore a potential expansion to 8 million metric tons per year in the future. Magnolia LNG will seek federal Department of Energy free trade agreement approval in 2013. The company will submit a pre-filing application to the Federal Energy Regulatory Commission in March, before it completes the selection of project partners by June 2013. The company plans to begin hiring in early 2015, with commercial operations to begin in 2018.

#### **Magnolia Update – 1/14**

As reported by the company, capital cost for the entire 8 mtpa Magnolia LNG project is USD \$3.5 billion. Updated employment projections are: 560 at peak construction, 65 direct operations and 125 indirect operations.

#### **Magnolia Moving Forward - 4/14**

Magnolia LNG officials will submit three major applications with state and federal agencies next week, bringing their multi-billion project a few steps closer to reality. Magnolia’s vice president of project management said the company will submit its formal application to the Federal Energy Regulatory Commission for a construction permit and a separate application for an air permit with the state Department of Environmental Quality. Both applications will be sent out April 30. The company will also apply for a dredging permit next week with the U.S. Army Corps of Engineers to dredge the site’s berthing pocket for its export ships. The berthing pocket will run alongside Magnolia’s two storage tanks. Magnolia’s estimated \$3.5 billion project will consist of four LNG trains, which will be built on 120 acres near the intersection of Henry Pugh Boulevard and Big Lake Road in Lake Charles. Each train will produce 2 million tons per year of LNG, which will be stored in two, 160,000-cubicmeter cryogenic tanks.



### **Magnolia Update - 9/14**

Liquefied Natural Gas Limited announced today that its 100% subsidiary, Magnolia LNG achieved two significant milestones this past week in progressing its pending application with the U.S. Federal Energy Regulatory Commission for its proposed 8 mtpa LNG export project located in Lake Charles, Louisiana. The US Coast Guard has issued a Letter of Recommendation dated September 15, 2014, approving the Project's Waterway Suitability Assessment. With this approval, the USCG has assessed Magnolia LNG's proposed marine traffic along the Calcasieu Channel and has determined that this waterway is "suitable for accommodating the type and frequency of LNG marine traffic associated with the project" according to Liquefied Natural Gas Limited. The Department of Transportation's Pipeline and Hazardous Materials Safety Administration has issued a Letter of No Objection to FERC dated September 17, 2014, approving the Project's design spill methodology. This is a significant milestone for Project as it allows FERC to move closer to finalizing its review of the Project's safety and engineering design according to the Liquefied Natural Gas Limited statement. In order for it to issue a Notice of Schedule for Environmental Review and the Draft Environmental Impact Statement for the Project, FERC requires these inter-agency approvals. Liquefied Natural Gas Limited noted Magnolia is confident that with these developments it is moving substantially closer to the issuance of an environmental review schedule and ultimately a draft environmental impact statement and looks forward to cooperating with FERC.

### **Magnolia Update - 5/15**

Last week, Magnolia LNG received a notice of schedule for environmental review from the Federal Energy Regulatory Commission. The SER listed Nov. 16 as the anticipated date for the issuance of the final environmental impact statement for Magnolia LNG's project. In addition to establishing the Nov. 16 issuance date, the SER establishes a FERC schedule to complete a final impact statement, which is a critical document in the permitting process. It also establishes a 90-day decision deadline after the final impact statement is released for all agencies issuing related federal authorizations. The list of agencies includes FERC. Ernie Megginson, Magnolia's vice president of project management, said the notice is another step in the right direction for the project. "This provides a certainty to our project team internally so we can set our other schedules. It also provides certainty to our customers that we are making progress toward completion of the permitting process," Megginson said. "It also builds confidence in the marketplace for financial investments. Just a level of certainty around the schedule is very important."

The timeline for publishing the final environmental impact statement includes the completion and issuance of a draft version as well as the receipt, review and inclusion of comments by government agencies, nongovernmental organizations and private citizens on the final statement. While FERC can solicit information from a project applicant during the time between the draft and final environmental impact statement, the issuance of the SER means the FERC staff already has all of the necessary information on the project needed for it to complete and issue the draft environmental impact statement.

"Both ours and Trunkline LNG's recent notice of schedule for environmental review is 6 1/2 months long, and that is critical," Megginson said. "We still have work to do on our permitting, but it indicated an easier process to permit the project as soon as we can." The Magnolia LNG project is a \$3.5 billion midscale LNG export facility to be built on 120 acres near the intersection of Henry Pugh Boulevard and Big Lake Road in Lake Charles. The project will consist of four LNG trains, each of which will produce 2 million tons per year of LNG. The project is expected to result in about 1,000 construction jobs, 70 permanent jobs and 175 additional indirect jobs.

### **FERC: Little impact from Magnolia LNG Plant 9/15**

The multibillion-dollar Magnolia LNG project will have limited adverse environmental impacts, according to a draft environmental impact statement release last week by the Federal Energy

Regulatory Commission. The report's executive summary says those environmental impacts "would be reduced to less-than-significant levels" with Magnolia following 30 mitigation measures proposed by FERC.

Magnolia has worked with FERC for more than two years, helping the commission to evaluate the project's environmental impact. Magnolia submitted its final resource report in April 2014, and it spent the past year responding to a series of questions from FERC that dealt with the project's environmental, reliability and safety aspects. Now that the draft environmental impact statement has been released, a public comment period will continue until September 8. FERC has committed to issuing its final environmental impact statement by November 16. The final environmental statement will be sent to five FERC commissioners for final approval around mid-January 2016. The commissioners will then issue a FERC order that authorizes the project for construction. Magnolia then has to submit implementation plans to FERC, along with detailed design information. After that, FERC can give a notice to proceed with site clearing and site preparation. That is expected to occur in February. The \$3.5 billion Magnolia project will include four LNG trains, built on 120 acres near the intersection of Henry Pugh Boulevard and Big Lake Road. Each train will produce 2 million tons per year of LNG for export. The project could produce about 1,000 construction jobs, 70 permanent jobs and 175 indirect jobs.

### **Magnolia Signs Contract 11/15**

On the same day that the US Federal Energy Regulatory Commission released its final environmental review of the proposed Magnolia LNG liquefaction and export project in Lake Charles, Louisiana, the company signed a contract to build it. Magnolia LNG, a subsidiary of Australia's Liquefied Natural Gas Limited, said in a statement that it had agreed to a \$4.354 billion lump-sum turnkey engineering, procurement and construction (EPC) contract with a joint venture of KBR and South Korea-based SK Engineering & Construction (SKE&C). A Magnolia LNG spokesman said that the company signed the contract following the release of FERC's final environmental impact statement for the Magnolia LNG Lake Charles facility and the associated Kinder Morgan Lake Charles Expansion Project. The EIS found that although the projects would result in some adverse impacts to wetlands, vegetation and land use, with the implementation of mitigation measures, those harms would be cut to "less-than-significant" levels. The contract covers the construction of four LNG production trains with design capacity of 2 million mt/year or greater each, two 160,000-cubic-meter full-containment storage tanks, LNG marine and ship-loading facilities, supporting infrastructure, and all required post-final investment decision approvals and licenses, the company said.

Magnolia LNG is likely to reach a final investment decision on the project in the second quarter of 2016, after the US Department of Energy issues a permit for the project to export LNG to countries with which the US does not have a free trade agreement, the spokesman said. The project already has received DOE approval to export to FTA countries. With a proposed maximum export capacity of 8 million mt/year, the Magnolia LNG Lake Charles facility is considered a mid-sized liquefaction and export project. The company believes it will be able to build and operate the plant more economically than some of its much larger competitors.

In an interview, Greg Pilkinton, Magnolia LNG's EPC commercial director, said the company expects to be able to build and operate the facility for about \$500/mt of LNG produced, compared with an average of \$800-\$900/mt for some of the bigger export projects being built along the US Gulf Coast. The lower construction and operating costs will help ensure that the company will be able to build and operate the Lake Charles project economically, even in a world of low global energy prices, he said, adding, "I think we're insulated" from the low-price environment, which some analysts have predicted would kill off many projects being proposed to export LNG from North America before they reach the FID stage. "We can weather the downturn using an alternative

technology and innovative use of current technology," Pilkinton said. "It's less expensive to build our facilities and our plant."

Platts Analytics does not include the Magnolia LNG Lake Charles project in its forecast of North American export projects likely to be built through 2020 because the global market is not expected to be able to absorb any additional LNG over the next five-plus years beyond those projects already under construction. In addition, Platts Analytics estimates that the project would need to secure takeaway contracts for about 7 million mt/year before Magnolia LNG would be able to secure financing for the terminal. In July, the company announced it had signed its first legally binding offtake agreement with Meridian LNG Holdings for firm capacity rights for up to 2 million mt/year. "We've announced one long-term offtake agreement," Pilkinton said. "We're speaking to potential customers across the world."

Under the EPC contract, the four-train Magnolia LNG project will have guaranteed production capacity of 7.6 million mt/year. The project is guaranteed to operate at 92% feed gas production efficiency, consuming 8% of incoming gas as fuel. The KBR/SKE&C joint venture commissioned to build the project has agreed to offer pricing on a reduced (three-train) project scope. Cost for one train, estimated by the joint venture at \$630 million, is subject to final confirmation by December 31.

#### **Magnolia 4/16**

Australia's Liquefied Natural Gas Limited informed its unit, Magnolia LNG, received the permit from the U.S. FERC to site, construct, and operate its LNG terminal in the Lake Charles District, Louisiana. Additionally, Louisiana Department of Environmental Quality approved the air permit for Magnolia LNG, according to the statement. FERC also authorized the Kinder Morgan Louisiana Pipeline to install compression and other related facilities on the KMLP Pipeline, facilitating the transportation of full feed gas volumes to the Magnolia LNG project. Following permits from FERC and LDEQ, LNG Limited's managing director and CEO, Greg Vessey said that the company now expects the decision of the US Department of Energy regarding the Magnolia LNG's non-FTA export permit. The proposed Magnolia LNG facility would have up to four trains each with a liquefaction capacity of 2 mtpa or more, two 160,000 cbm storage tanks, ship, barge and truck loading facilities and supporting infrastructure. The construction will be carried out by the KBR-SKE&C joint venture. Vessey added that the focus now remains on completing the marketing of Magnolia LNG's offtake capacity, finalizing financing arrangements and progressing to the construction phase.

#### **Magnolia LNG gets Department of Energy Approval 11/16**

Liquefied Natural Gas Limited (LNGL), the parent company of Magnolia LNG, announced that the US Department of Energy (DOE) has announced its decision granting Magnolia LNG Project authorization to export liquefied natural gas from the proposed facility in Lake Charles to countries with which the United States has not entered into a free trade agreement (non-FTA approval). Greg Vesey, LNGL Managing Director and CEO and Magnolia LNG President and CEO, advised, "Our Magnolia project team is very pleased to have successfully received this final piece of the regulatory framework enabling our Magnolia LNG project to export US-produced natural gas to the global energy market. We recognize and appreciate the hard work and timely efforts put in by the DOE and other cooperating agencies in reaching this decision. Going forward, we are well underway in progressing on the final offtake milestones to enable us to move this leading energy efficient, innovative and low cost project into the construction and operations phases." For more information on the Magnolia LNG project, please visit [www.MagnoliaLNG.com](http://www.MagnoliaLNG.com).

#### **MCNEESE STATE UNIVERSITY 5/14**

**Lake Charles** - Gov. Bobby Jindal announced the capital construction proposal for the next fiscal year, which includes millions in funding for projects in Southwest Louisiana. The funds are given a priority, with

Priority 1 money usually being distributed during the fiscal year. Priority 2 projects are intended for working on project plans and designs, and Priority 5 projects can get non-cash lines of credit or eventually be moved to a higher priority. The proposal includes several investments in higher education and infrastructure projects. These investments will build on our work to improve learning environments, make our roads safer for families, and make Louisiana more attractive to companies who want to expand or invest in our state.

### **Higher Education**

- \$1.185 million for the Health and Human Performance Education Complex at McNeese State, with an additional \$15.31 million in new Priority 5 funding for a total investment of \$16.5 million.
- \$1 million for ADA upgrades campus-wide for McNeese State.
- \$1 million for the Shearman Fine Arts Building renovations at McNeese State, with an additional \$2.7 million in new Priority 5 funding for a total investment of \$3.7 million.
- \$260,000 for Alpha Hall renovations at McNeese State.

### **Health and Human Performance Education Complex \$40 million 6/14**

The new \$40 million dollar multipurpose facility will be located near the Jack V. Doland Athletic Field House and will house the growing academic programs in health and wellness, health performance, kinesiology, athletic training and sports medicine. Locating the building near the sports medicine and rehabilitation, strength and conditioning facilities for the student-athletes will provide lab settings and internship opportunities for students majoring in health and human performance disciplines. It will also include a multipurpose arena for McNeese intercollegiate volleyball, men and women's basketball games and cultural events. This facility will lay the ground work for future academic programs and to potentially expand physical therapy-related course offerings into a physical therapy program.

### **McNeese connects students to businesses in Southwest Louisiana 7/14**

McNeese State University is connecting students to big business in Southwest Louisiana thanks to a grant from the Economic Development Administration of the U.S. Department of Commerce. The grant funds the second year of a five-year grant awarded to McNeese in 2013. University faculty said the grant will help solve local workforce issues through innovation.

"The question people ask all the time is what is innovation," said Janet Woolman, executive director of economic development and the Louisiana Environmental Research Center at McNeese. "The very simple answer is that it solves a problem that has value to a customer." The university has already been pushing its students to solve these issues with the recent opening of the Innovation Center in the SEED Center. The center offers students the opportunity to turn an idea into reality. "You do that through a process of creating, communicating, and commercializing meaningful and unique ideas," said Woolman. The newest grant will help expand on what the university is already accomplishing.

### **MSU Update 8/14**

McNeese State University has announced that it will offer two new concentrations, in light of the ongoing industrial expansion in Southwest Louisiana. "McNeese has a responsibility to employers in our region and to the community of Southwest Louisiana to be innovative in meeting the workforce demands of local industries whenever possible," said Alison Belivins, Director of General and Basic Studies at McNeese. The General and Basic Studies program at McNeese has partnered with the Department of Chemistry and Physics to create an associate degree in General Studies with a concentration in chemistry. The 60-hour program will focus on general chemistry and instrumental analysis. "This degree program provides local industries with 'bench chemists,' those who can run

reports, mix materials and conduct chemical analyses," said Dr. Ron Darbeau, Head of the Chemistry and Physics Department at McNeese.

The Chemistry Department and Physics has also joined with the College of Business to provide a new Bachelor of Science degree with a concentration in chemistry and management. The 120-hour program will focus on various areas of chemistry as well as practices in accounting, marketing and management. According to Darbeau, this degree is designed to prepare chemists for industrial and government positions with an emphasis on managerial or administrative skills. "This degree program opens up new opportunities in business-related areas for our chemistry graduates and potential employers here in Southwest Louisiana," said Darbeau.

The College of Business is also working on collaborations with the Performing Arts Department and the College of Engineering through initiatives at the SEED Center. "These collaborations are indicative of the campus community...the development and response to the workforce needs of Southwest Louisiana," said Dr. Musa Essayyad, Dean of the College of Business.

**Totaling more than \$70 million in capital investments, here is a list of recent proposals/projects for McNeese State University:**

- Alpha Hall Renovations \$2.3 million
- ADA Upgrades Campus-wide \$4 million
- Shearman Fine Arts Renov. \$4.5 million
- Contraband Bayou Erosion \$5.9 million
- Frasch Hall Annex Renov. \$6.5 million
- Frazar Library \$6.85 million
- H&HP Ed Complex \$40 million

**MSU Update 5/16**

Construction that began in 2015 continues:

- Alpha Hall (Chosen Hall) Renovations for a total of \$2.7 million for planning and construction. Schedule completion June 2016
- Frazar Library Renovations and Repairs for a total of \$7.5 million for planning and construction. Scheduled to be complete in June 2016

Projects that began in 2016:

- Frasch Hall Annex Repairs for a total of \$6.5 million for Planning and construction, started February 2016 and scheduled to be complete January 2017
- Health and Human Performance Education Complex for planning, construction, FF&E for a total of \$44,914,830. Start May 2016 and schedule for completion May 2018.
- ADA Upgrades Campus-wide Phase 2 for a total of \$3.5 million planning and Construction. Started February 2016 and scheduled to be completed by June 2017.

Projects in the Planning Stage:

- ADA Upgrades Campus-wide Phase 3 for a total of \$1.5 million. Start July 2016 and scheduled to be completed January 2017
- Shearman Fine arts Renovations and Repairs. \$4.4 million for Planning and Construction. Estimated to start August 2016 and completed July 2017 if appropriate funding passes in HB 2
- Contraband Bayou Erosion Control: \$5.9 million planning and construction. Estimated to begin September 2016 and complete August 2017 if appropriate funding passes in HB 2

### **MSU Update 8/17**

- Alpha Hall (Chozen Hall) Renovations for a total of \$2.7 million for planning and construction- project complete.
- Frazar Library Renovations and Repairs for a total of \$7.5 million for planning and construction- project complete.
- Frasch Hall Annex Repairs for a total of \$6.5 million for Planning and construction- project complete
- Health and Human Performance Education Complex for planning, construction, FF&E for a total of \$44,914,830. Start May 2016 and schedule for completion June 2018.
- ADA Upgrades Campus-wide Phase 2 for a total of \$3.5 million planning and Construction. Started February 2016- nearing completion.
  
- ADA Upgrades Campus-wide Phase 3 for a total of \$1.5 million- nearing completion.
- Shearman Fine arts Renovations and Repairs. \$4.4 million for Planning and Construction. Estimated to start August 2016 and completed July 2017 if appropriate funding passes in HB 2- Currently unfunded
- Contraband Bayou Erosion Control: \$5.9 million planning and construction. Phase 1 portion of this project is anticipated to begin before the end of the calendar year.

### **NATIONAL HURRICANE MUSEUM 3/12 (Project Cancelled)**

**Downtown Lakefront Lake Charles Area** - The \$66 million National Hurricane Museum and Science Center project is inching its way closer to becoming a reality in Southwest Louisiana with support from the surrounding areas. The museum is still in the fundraising stage with the board having collected almost half a million dollars in a little over six months. In May 2013, the Port of Lake Charles came to an agreement to give the museum \$3 million towards making this plan a reality.

#### **Update 4/14**

The Community Foundation of Southwest Louisiana donated \$75,000 to the National Hurricane Museum and Science Center's education initiative focusing on weather, water and wetlands. President and CEO of the foundation said the money comes from a fund for the future of the Gulf. The mission of the Community Foundation is to connect human and financial resources to effect permanent and positive culture change. "The education initiative is a very exciting component of what we're doing," said Gray Stream, NHMSC board chairman. "Hopefully, the education component will help save lives and property." The donation matches the earmarked \$75,000 given by Pinnacle Entertainment in 2012. On the capital side, efforts to raise funds for the \$70 million museum have reached about \$14 million in dedicated funds. In addition, there is \$28 million in priority 5 capital outlay funding. Priority 5 projects can get non-cash lines of credit or eventually be moved to a higher priority. "We'll know within a year on the capital side if those major leads come together," said Stream. The NHMSC aspires to be a national educational hub using severe weather and coastal restoration and protection as powerful motivational themes to teach math and science, according to its website. The museum expects to attract 220,000 visitors per year with a \$63 million total annual economic impact to the region.

#### **Museum Update 6/14**

In the 2014 session of the Louisiana legislature, lawmakers approved \$28-million in funding support for the National Hurricane Museum & Science Center. That brings the contributions up to \$36-million. On June 25, Cheniere Energy donated \$200,000 to the campaign. They expect to work hard to generate more donations over the next year and a half. It's a big investment, but they are committed to creating a world class facility on the Lake Charles lakefront. The renderings are meant

to be bold and make a statement. It's meant to plant a flag as far as how we want to brand ourselves regionally. It's certainly meant to be impressive and it will be.

#### **Failed Museum Tax 4/16**

Calcasieu Parish voters made it very clear that they do not want to pitch in to pay for the National Hurricane Museum and Science Center to be in Lake Charles, but some said they still have hope it will come to Southwest Louisiana in the future. With only 20% or 2,975 saying yes and 80% or 11,673 of Calcasieu Parish voters voting no, the 10-year, 1.5-mill parish-wide property tax failed. "That would have benefited so many local museums, funded the Hurricane Museum that would have provided jobs, opportunities, education, and all the arts, history, and culture that goes along with that, that could have been expanded and broadcasted around and preserved, that's what that tax was," Jason Machulski, a Calcasieu Parish resident who said he is disappointed with the outcome. It was a tax many did not want to pay and questioned why the museum cannot use the 42 million it raised.

Gray Stream, chairman for the museum, said there are several reasons why they need the additional funds. "We've been asked, why can't the center just get started? It has forty-two million in funding commitments. It should maybe just do a project of that size. We feel that we got it as small as it could be..." he adds, "What the center represents is a museum and science center that would have the most state-of-the-art interactive displays and touch screen technology, potentially virtual reality things that are absolutely cutting-edge and to be part of a national network of the highest caliber; researchers, educational groups, agencies [and to] spread the word about Southwest Louisiana and Lake Charles to a national audience hundreds of times a year and do it all with a 2-to-1 or 3-to-1 match of these dollars and, on top of that, to give every child in Calcasieu the opportunity to go there for free every year," Steam said. But the small percent said they are hopeful for the future. "I really, really hope they try this again or find the finances to come to Lake Charles," Machulski said. The museum's board plan to meet next week to discuss the details of what they plan to do next.

### **PORT OF LAKE CHARLES**

#### **Calcasieu Ship Channel 3/14**

The U.S. Army Corps of Engineers have allocated \$10 million to the Calcasieu Ship Channel for dredging a crucial portion of the channel to its full width. A portion of these additional funds will be combined with previously budgeted funds to dredge a key 3.5-mile stretch of channel — Miles 7 to 10.5 — to its full 400-foot width. The previous funding would have reduced the channel width there to only 250 feet—a narrowing that would have extremely adverse economic consequences for channel users. Southwest Louisiana's huge industrial complex relies on unrestricted passage through the ship channel. A significant portion of the nation's energy resources moves up and down this channel every day and safety issues that would be posed by a narrowed channel must be addressed. The \$10 million allocation came from discretionary funds available to the Corps of Engineers in the FY14 Omnibus Budget Bill. It will be used for critical channel maintenance that includes dredging the 400-foot width of Miles 7 to 10.5. A group representing the Calcasieu Ship Channel's interests went to Washington, D.C., in February to present justification for the additional funding. The group included representatives of channel users—BG/Trunkline LNG, Citgo, Magnolia LNG, Cameron LNG—as well as the Lake Charles Pilots, the Port of Lake Charles and State Senator Dan "Blade" Morrish. They requested that \$11 million be added to the previously budgeted \$16.24 million to accomplish the needed dredging. This was the second time that a coalition of Calcasieu Ship Channel users went to the nation's capital to plead for needed funding for dredging. A 2012 appeal resulted in an allocation of \$6.9 million.

#### **Panama Canal official signs memorandum with Port of Lake Charles 1/15**

Because of Southwest Louisiana's growing presence in exporting liquefied natural gas, an official from the Panama Canal spent Tuesday visiting with port and area economic development leaders.

Jorge Quijano, the CEO and administrator of the Panama Canal Authority, signed a memorandum of understanding with the Port of Lake Charles. Under the agreement, the entities will undertake joint initiatives, including “marketing activities, training, and data interchange.”

The Panama Canal is going through a \$5.25 billion dollar expansion that will double its capacity. The expansion will benefit the port because 60 percent to 70 percent of the ships it sees go through the canal, said Bill Rase, Port executive director. At a presentation at the Southwest Louisiana Entrepreneurial and Economic Development Center, Quijano discussed the impact the canal expansion will have on Louisiana. He also took a helicopter tour of the area to view industrial expansion sites in Calcasieu and Cameron parishes. “Because of LNG we anticipate our relationship with the Port of Lake Charles being closer,” Quijano said. Canal officials are making plans to receive and handle LNG vessels. Quijano said the canal expansion will make it cheaper to ship LNG to eastern markets. Rase said that the fact that the canal is “putting in new infrastructure for the passing through of the canal is very beneficial to not only the Port of Lake Charles but any port in the Gulf.”

### **Port of Lake Charles – Ship Channel boost for economy 10/15**

The Calcasieu Ship Channel generates \$5.7 billion in local revenue and is projected to produce \$4.4 billion more by 2023, according to a report. Officials with the Port of Lake Charles and two Louisiana firms met at the SEED Center to talk about the ship channel’s economic impact on the local, state and federal levels and its anticipated growth in line with the industrial expansion projects. The channel now accounts for 46 percent of the Lake Area economy.

Ed Bee, president of the Mandeville-based firm Tamerica Management, said the direct employment tied to the channel in 2014 was 36,000 workers, or 31 percent of the Lake Area workforce. With the industrial expansion and investment projects, 9,000 additional jobs are expected by 2023, a 25 percent increase. The channel-dependent companies generated \$118 million in annual local tax revenue last year, according to the report. By 2023, that total amount is estimated to be \$274 million, an increase of 131 percent.

Travis Woodard, a principal with the Baton Rouge-based firm CSRS, said the ship channel is “the single most critical asset to Southwest Louisiana.” “It’s hard to fathom how important the channel is to our local economy,” he said. “It just reinforces how important it is to make those critical infrastructure investments.” Jeff Bell, an official with CSRS, said 16 of the announced industrial projects in Southwest Louisiana are “channel users.” He said that accounts for more than \$68 billion in capital expenditures. “We’re not talking about just mom-and-pop shops,” he said. “These are global businesses.”

Statewide, Bee said the channel accounted for 49,000 jobs in 2014, 27 percent being outside the Lake Charles area. It generated \$6.7 billion in annual revenue and \$155.6 million in annual tax revenue. By 2023, employment statewide is expected to rise by 12,000 jobs, annual revenue will grow by \$4.8 billion and tax revenue will increase by \$143.4 million.

On the federal level, the channel generated \$6.7 billion worth of revenue in 2014, along with \$916.6 million in taxes. It is anticipated to generate another \$4.8 billion by 2023, along with \$407.9 million in federal taxes. Bell said the Port of Lake Charles in 2013 was the 11<sup>th</sup> largest port in the U.S. by tonnage, the most recent year for that data. He said the port is likely to rise into the top 10 soon.

## **SASOL LTD.**

### **GAS-TO-LIQUID COMPLEX 9/11**

**Westlake Industrial Complex** - Sasol selected Calcasieu Parish as the location for a potential gas-to-liquid, or GTL, complex that would entail a capital investment of approximately \$10.5 billion and produce direct employment of about 850 people, with an average salary of \$89,000 plus benefits, and 5,500 construction



jobs. LED estimates the project will also result in approximately 4,000 indirect jobs. The company, based in South Africa, wants the plant built by 2018 with the feasibility study expected to be complete by mid-2013. Plans are underway for an 18-month feasibility study to determine the plant's size and production capabilities. It is estimated to have a \$919 million economic ripple throughout SWLA annually. The complex will provide a huge new source of demand for the Haynesville Shale and other natural gas plants in Louisiana. LED utilized innovative GIS mapping technology provided by the Calcasieu Parish Police Jury to recommend locations that would optimize a variety of customized site selection criteria. The GIS work and partnership with the Port of Lake Charles to secure land options saved the company months of planning and preparation work. <sup>4</sup>LSU recently completed an economic impact analysis, commissioned by Sasol, that shows just how significant this project would be for the State of Louisiana and for the greater Lake Charles area. The study says that construction alone will generate another \$1.73 billion in additional business activity and more than 12,000 new jobs associated with \$577 million in personal earnings during the five-year construction period.

#### **ETHANE CRACKER/DERIVATIVES COMPLEX 11/11**

November 2011, Sasol's board approved the selection of Calcasieu Parish to build an ethane cracker and derivatives complex in Lake Charles. That investment will be approximately \$4.5 billion with 400 to 500 new direct jobs and expects the feasibility study will be completed in 2013.

### **Sasol Announces Largest Manufacturing Investment in Louisiana History**

#### **Westlake 12/12**

Louisiana Gov. Bobby Jindal and Sasol Ltd. CEO David Constable announced the international integrated energy and chemicals company will invest between \$16 billion and \$21 billion in an integrated gas-to-liquids (GTL) and ethane cracker complex in Westlake, LA. The project is expected to create 1,253 direct jobs, an additional 5,886 new indirect jobs, with 7,000 construction jobs and Sasol will retain 435 existing direct jobs in Westlake as a result of the project.

Including direct and indirect effects, the Sasol project will produce a total economic impact over the next 20 years of \$46.2 billion, according to an economic impact study commissioned by <sup>4</sup>Louisiana Economic Development (LED) and completed by the LSU Division of Economic Development. According to Dr. Loren Scott, Professor Emeritus of Economics at LSU, Sasol's planned facility will be the largest single manufacturing investment in Louisiana history. Gov. Jindal stated it also represents one of the largest foreign direct investment manufacturing projects in the history of the entire United States.

A 650-acre site near Sasol's existing facilities in Westlake, Louisiana was identified and a September 2011 announcement identified the company's site selection and its decision to move forward with a final feasibility study for the GTL facility. Hiring for the GTL and ethane cracker facilities will begin in 2014. Operations of the first plant are expected to start in 2017, with full employment reached within two years after commercial operations begin.

#### **SASOL UPDATE 5/13**

Public affairs manager at Sasol's office of new business development said that management agreed earlier this week to work on the expansion project in phases. Work on the chemical plant will start first and is expected to cost \$5 billion to \$7 billion. If they get permits in line, Sasol plans to start construction next year--that is when they will go for final investment of the (gas-to-liquids) facility. Work on the gas-to-liquids facility will start just as the chemical plant is being finished. Final investment on the second phase should occur within 18-24 months after the first phase begins.

#### **SASOL CLEAR FINAL HURDLE FOR ETHANE CRACKER 9/14**

Sasol executives received the final permit to expand their Westlake facility. The U.S. Army Corps of Engineers awarded Sasol a construction permit to build a dock on the Calcasieu Ship Channel from which the company will import modules to build an ethane cracker. This is the final regulatory hurdle needed to clear and allow the start of construction on the dock facility and the plant site. Sasol

will build the improvements to build a dock and a bulkhead to receive equipment. The Corps awarded the permit in the Port of Lake Charles' name; the port owns the land and will own the dock. Sasol's dock construction permit caps the company's two-year permitting process with state and federal regulators. The Corps awarded Sasol its wetlands modification permit last month. It will allow the company to disrupt and later replace wetlands during construction.

In June, Sasol was awarded 17 air and water permits from the state's Department of Environmental Quality. Sasol's new ethane cracker will produce ethylene, which will be used to make products such as synthetic fibers, detergents, paints and fragrances. The facility is expected to produce about 1.5 million tons of ethylene a year. Construction on the estimated \$7 billion facility is expected to begin this fall. The company will also construct a gas-to-liquids complex that is expected to produce more than 96,000 barrels of diesel fuels and chemicals each day. The complex will also house Sasol's second linear alkyl benzene unit, which will increase the company's production of detergent alkylates. The project will cost \$11 billion-\$14 billion. Sasol is expected to break ground on the complex in 2016. When completed, the projects will more than quadruple the size of Sasol's plant.

#### **Sasol funding job training, infrastructure effort for Southwest Louisiana 10/14**

It's been nearly a year since Sasol and community leaders released the Southwest Louisiana Workforce Resource Guide to help under-skilled and under-educated people find work in industry. Now the guide is being put into action.

Sasol executives will launch a \$900,000 workforce pilot program to increase craft enrollment at Associated Builders and Contractors' Pelican Chapter in Westlake. The program will first target residents in Westlake and Mossville and may extend into communities throughout Calcasieu Parish. The program is the next step in using the resource guide to increase craft training for the thousands of industry jobs coming to the area. The program includes a \$600,000 advance payment to the Southwest Louisiana Construction Users Council, which will fund infrastructure improvements at ABC so the school can expand the number of craft classes and increase student enrollment. The payment will also allow ABC to offer accelerated craft classes. The accelerated classes will run over a five-week period for each NCCER certification level and will be held Monday through Thursday for eight hours.

This is a great opportunity for high school seniors who will graduate this year or for people who are out of work. The program will provide the opportunity for people to come to ABC and get accelerated training for certification so they can go out into the workforce and work as a helper while working towards their journeyman certification. Sasol is looking to achieve the following craft recruitment goals in the next three years:

- AWS combination certification for 55 welders.
- Level four NCCER certification for 25 pipefitters, 25 electricians, 25 millwrights and 25 boilermakers.
- Level three NCCER certification for 25 insulators.
- Level one NCCER certification for 25 scaffold builders.
- Level two NCCER certification for 25 heavy equipment operators and 25 mobile crane operators.

The advance payment, part of which will be paid back to Sasol over time, will accelerate the hourly contractor payments Sasol pays to the SLCUC over time by prepaying the money in one large sum. By reversing this payment process, ABC will be able to expand classes significantly. 1,000 contractors will be hired. Sasol will pay a certain amount to SLCUC and they will be able to use that money to fund classes at ABC.

Sasol's program will also earmark \$300,000 in scholarships for Westlake and Mossville residents who enroll in craft classes. The scholarships will take craft students through the employment process outlined in the resource guide. Sasol will give the scholarship's pilot dollars to the Community Foundation of Southwest Louisiana, a steering committee recommendation. The foundation, in turn, will work with Carheel Consulting, a job placement firm based in St. Louis and founded by Westlake native McDonald Carheel. Carheel's consulting team will serve as career counselors of sorts, and each candidate that goes through this scholarship program will have a counselor assigned to him or her and a mentor. That way they have support from the mentors, but they will also get technical assistance from the standpoint of a human resources professional.

The Workforce Resource Guide is not a workforce development program; it was a community development forum, and an extension of that community development forum.

#### SWLA Workforce Resource Guide

*ONLINE: <http://allianceswla.org/workforce-resource-guide>*

The SWLA Workforce Resource Guide is 72-page, step-by-step overview of the skills and education people must attain to be considered for labor work at a petrochemical plant. The guide outlines six steps to becoming an industry laborer:

- Get your high school diploma.
- Make sure you have the basic life skills.
- Select a craft, skill or profession.
- Get the certification or associate degree.
- Build a resume and sharpen your interview skills.
- Apply for the job.

The guide's initial 5,000 copies were disseminated to business and community offices throughout Calcasieu Parish, including the SEED Center, the Business and Career Solutions Center, the Calcasieu Parish Human Services Department, Sowela Technical Community College, and ABC. The guide was also sent to all parish libraries. An additional 100 copies, published in three-ring binders, were delivered to the region's spiritual and business leaders in an effort to launch a communitywide training program. The program is not intended to train craft workers solely for employment at Sasol but for all industry related jobs created in the area over the next several years.

Over the past 10 months, mentors have been trained on how to use the guide with constituents and local residents who are interested in the process. To manage its pilot program, Sasol is working with the same organizations and institutions that helped it with the guide, and together these groups comprise the Research Guide Steering Committee.

#### **SASOL Green Lights \$8 Billion Ethane Cracker Complex 10/14**

Sasol Ltd. pulled the trigger on an \$8.1 billion ethane cracker and derivatives complex at its Lake Charles, LA, facility, an expansion that should triple the South African company's chemical production capacity in the United States. In September Sasol received a wetlands construction permit to build the ethane cracker near Westlake in Calcasieu Parish from the U.S. Army Corps of Engineers (see Daily GPI, Sept. 5). CEO David Constable called the decision to build the cracker "a defining moment in our company's history and an important milestone in the execution of our growth strategy."

Once commissioned, as expected in 2018, the world-scale petrochemicals complex would "roughly triple our chemical production capacity in the United States, enabling Sasol to further strengthen its position in a growing global chemicals market. The U.S. Gulf Coast's

robust infrastructure for transporting and storing abundant, low-cost ethane was a key driver in our decision to invest in America." The cracker plant may precede construction by Sasol of a gas-to-liquids complex in Lake Charles that if built could be one of the largest in the world. Sasol expects to make a decision on the GTL plant within two years. The ethane cracker is to produce 1.5 million tons/year. The complex also would include six chemical manufacturing plants. Around 90% of the ethylene output is to be converted into a slate of commodity and high-margin specialty chemicals.

An additional \$800 million is to be invested in infrastructure and utility improvements, and land acquisition, to establish Lake Charles "as an integrated, multi-asset site that will enable growth for decades to come," Sasol officials said. Site preparation already is underway. "The economic benefits of this project will extend to all of our shareholders, 67% of whom are located in South Africa, and will also enable us to pursue further growth opportunities in Southern Africa," said Constable. "In addition, this project will deliver significant benefits to the State of Louisiana and the United States. More specifically, it will enhance local investment and job creation in the surrounding communities, while strengthening downstream manufacturing and increasing exports." Sasol has selected Fluor Technip Integrated as the primary engineering, procurement and construction management contractor. The project management team also is supported by Worley Parsons.

Sasol's \$8.9 billion ethane cracker will produce ethylene, which is used to make products such as synthetic fibers, detergents, paints and fragrances. The facility, which is expected to produce 1.5 million tons of ethylene a year, will also contain six chemical manufacturing plants. Construction is expected to begin next spring. The project is expected to create more than 5,000 construction jobs at peak times and more than 500 full-time positions. Company officials expect the facility to be in operation in 2018.

#### **Sasol Says U.S. Cracker Costs to Shape GTL Plant Decision 10/14**

Sasol Ltd. (SOL) said a decision on whether to proceed with a U.S. facility to turn natural gas into transportation fuels will depend on cost overruns at an \$8.1 billion chemical plant it's building in Louisiana. Sasol will decide in 2016 whether to build a gas-to-liquids, or GTL, plant at the site of the planned ethane cracker in Lake Charles, Louisiana, Chief Executive Officer David Constable said in an interview. A decision to proceed, on what would be the first plant of its kind in the U.S., will depend on costs at the chemical project, the price of oil, diesel and gas and the health of the global economy, he said.

Both projects are being proposed to capitalize on a jump in North American gas output from shale formations. The GTL project, which Constable last year estimated would cost \$14 billion, would produce diesel fuel and waxes. "We need to get much more accurate project estimates, keep a close eye on the cracker and what its capex does in construction and then take a view on the GTL with that information and the macroeconomics at the time," Constable said.

#### **SASOL GTL FACILITY UPDATE 1/15**

Southwest Louisiana officials are confident that Sasol's propose \$14 billion dollar gas-to-liquid facility in Westlake is only being delayed. Sasol company officials explained that the decision was based on cash flow considerations as a result of declining world market oil prices. Representatives from the Southwest Louisiana Economic Development Alliance, Calcasieu Parish Police Jury, and Lake Charles City Hall met after learning of Sasol's intentions.

“Sasol has been a good corporate partner in Southwest Louisiana for many years. Their \$8.9 billion ethane cracker construction project is already underway, which is a huge investment on its own. The announcement is a delay only, so we remain confident about our economic future,” said Calcasieu Parish Police Juror and GOGroup Chairman Hal McMillin.

Local leaders noted that currently the five parish region has over \$30 billion in industrial projects that have already started, including Sasol’s ethane cracker unit. The cracker unit alone will create 5,000 construction jobs and 500 new jobs when it is completed.

Mayor Randy Roach said the announcement provides the region additional time to continue addressing new growth infrastructure needs.

“Today’s announcement to delay the project gives everyone time to catch up with the demands for infrastructure and other improvements. It also allows workers and business owners more time to prepare and adjust for the development that is currently scheduled for our area,” he said.

George Swift, President and CEO of the Alliance, said the region is economically strong and continuing to grow. “SWLA continues to lead the nation in growth. There will still be thousands of jobs and opportunities for local residents seeking employment and businesses to have new opportunities”.

### **Sasol announces selection of Louisiana-based contractors 2/15**

Sasol announced it has selected five Louisiana-based contractors to support construction of its ethane cracker and derivatives project. Cajun Constructors, Inc. and James Industrial Constructors will perform site civil works. This work includes some of the first activity at the site and consists of site preparation, piling and foundation work. ISC Constructors, LLC and MMR Constructors, Inc. will perform electrical and instrumentation work. Turner Industries will conduct mechanical, structural steel and piping work.

"With the announcement of our final investment decision, Sasol is excited to advance construction at our ethane cracker and derivatives project site," said Mike Thomas, senior vice president of U.S. Operations for Sasol. "These contractors bring extensive Louisiana and petrochemical construction experience and these appointments reflect our commitment to using Louisiana businesses on the project." Numerous hiring, subcontract and procurement opportunities will be available directly with these local Louisiana construction contractors. Sasol will host a business opportunity forum on Thursday, Feb. 19 from 4- p.m. at the Lake Charles Civic Center for the company's appointed Louisiana-based construction contractors to meet with the Southwest Louisiana business community and share information about available opportunities. “We encourage local businesses interested in working on the projects to attend this forum and learn about anticipated timelines, application processes and business needs,” Thomas said.

Selection of these local Louisiana construction contractors follows the appointment of Fluor Technip Integrated (FTI), a joint venture of two firms, as the primary engineering, procurement and construction management contractor. These local Louisiana construction contractors will be managed by FTI on Sasol's behalf. Additional construction contractors will be announced as the project progresses. Contact information for each of the contractors will also be provided on Sasol's website at [www.sasolnorthamerica.com](http://www.sasolnorthamerica.com) as it becomes available. For press inquiries please contact Laura Wooderson at 504-430-2623 or [lwooderson@wlf.la.gov](mailto:lwooderson@wlf.la.gov).

### **Sasol Breaks Ground on Ethane Cracker Complex at Westlake 3/15**

Gov. Bobby Jindal highlighted the start of construction for Sasol's \$8.1 billion ethane cracker complex as company and regional officials gathered for groundbreaking at the Calcasieu Parish site. The world-scale petrochemical complex will include an ethane cracker and six chemical manufacturing plants, to be built near Sasol's existing Westlake facilities. The project will roughly triple Sasol's chemical production capacity in the United States. Sasol will create 500 direct new jobs with an average annual salary of \$88,000, plus benefits. Louisiana Economic Development estimates the project will result in 2,395 new indirect jobs, and the company estimates 5,000 construction jobs will be generated by the project during the next several years.

In addition to the \$8.1 billion capital investment for the petrochemical complex, Sasol will spend \$800 million for infrastructure improvement, land acquisition and utility improvement costs at the site. "By the time construction is complete in 2018, Sasol's investment will total almost \$9 billion, making it one of the largest investments in our company's history," said Steve Cornell, Sasol's executive vice president of international operations. "Along the way, we'll create more than 5,000 construction jobs and more than 500 full-time positions, 100 of which have already been filled." The ethane cracker, which is expected to launch commercial production of ethylene in 2018, is one of two projects announced in December 2012 during the feasibility stage, with the other being a large-scale gas-to-liquids facility that would increase the total number of new direct jobs to more than 1,250. Sasol announced in January that it is delaying a final investment decision on the GTL plant, as part of a comprehensive plan to conserve cash in response to lower international oil prices. The company said it would continue to advance the GTL facility at a slower pace as it evaluates the possibility of phasing in that project going forward.

Sasol has selected multiple Louisiana-based contractors to support construction of its ethane cracker and derivatives project, representing a commitment of more than \$1 billion in contracts. Cajun Constructors Inc. and James Industrial Constructors will perform site preparation and piling and foundation work. ISC Constructors LLC and MMR Constructors Inc. will perform electrical and instrumentation work. Turner Industries will conduct mechanical, structural steel and piping work. Selection of the Louisiana construction contractors followed Sasol's appointment of the Fluor Technip Integrated joint venture as the primary engineering, procurement and construction management contractor.

### **KCS and Sasol 6/15**

Kansas City Southern has announced that its U.S. subsidiary, The Kansas City Southern Railway Company (KCSR), has reached an agreement with Sasol Chemicals (USA) LLC (Sasol) for the construction and long-term lease of a storage-in-transit (SIT) rail yard to support Sasol's new ethane cracker and derivatives project in Lake Charles, La. In addition to building the SIT yard for lease to Sasol, KCSR will replace and expand its existing rail car classification yard in Mossville, La.

"We are very pleased to expand our relationship with Sasol by entering into this long-term lease agreement," said KCS President Patrick J. Ottensmeyer. "In addition to serving Sasol's needs in Lake Charles for many years to come, this investment will better position KCSR to serve the growing petrochemical industry and other customers in the Lake Charles area."

"KCS has been a key partner in ensuring safe and reliable delivery of our products to our customers for decades," said Mike Thomas, senior vice president of U.S. operations for Sasol. "We are delighted to extend our relationship with KCS as we increase the number and volume of products we manufacture at our Lake Charles site over the next several years."

In October 2014, Sasol announced a final investment decision on an \$8.1 billion ethane cracker and derivatives complex in Louisiana. At the heart of the project is an ethane cracker that will produce 1.5 million tons of ethylene annually, benefiting from significant economies of scale. The complex

also includes six chemical manufacturing plants. An additional \$800 million will be invested in infrastructure and utility improvements, as well as land acquisition, to establish the Lakes Charles location as an integrated, multi-asset site that will enable growth for decades to come. Construction is underway, and the company expects that the facility will achieve beneficial operation in 2018.

### **Sasol Projects Update - March 2016**

**Sasol is constructing a world-scale petrochemical complex near our existing site in Southwest Louisiana. The \$8.9 billion project will roughly triple the company's chemical production capacity in the U.S. and enable it to build on its strong positions in robust and growing global chemicals markets.**

#### **First things first**

We have approximately 3,500 workers on site and recently achieved 6.6 million man hours without an OSHA recordable incident on site - an achievement we are very proud of and work to exceed every day.

#### **CEOs appointed**

We announced the appointment of Bongani Nqwababa and Stephen Cornell as Joint-President and Chief Executive Officers ("Joint-CEOs"), effective from July 1, 2016. Cornell is currently the Executive Vice President: International Operations. This announcement follows the June 2015 announcement that David Constable, the President and CEO, had decided not to extend his contract with Sasol beyond June 30, 2016.

#### **Project progress update**

The ethane cracker and derivatives complex project (also referred to as the Lake Charles Chemicals Project or LCCP) is progressing. Engineering and procurement are at an advanced stage and site construction has commenced. Earlier this week, Sasol announced it will pace the execution of the project to support the company's company-wide oil price response plan. We were always planning to implement a phased startup of the ethane cracker and six derivative units in 2018. Now, beneficial operations of some of the smaller derivative units may move from calendar year 2018 to calendar year 2019. A detailed review of project cost and schedule is under way and likely to be completed by mid-2016.

#### **Off-site infrastructure improvements progressing**

The heavy haul route is the route that Sasol and its contractors are using to transport large modules and other equipment from a construction dock on the Calcasieu River 2.5 miles to Sasol's project site. Sasol is widening and strengthening the existing roads on the route to accommodate the modules and equipment. The heavy haul route project and other Sasol-funded infrastructure improvement projects include a significant amount of new water, sewer and gas line infrastructure for the City of Westlake along the route. They total an investment of more than \$40 million--\$35 million in the City of Westlake alone. The first phase of the heavy haul route strengthening project is complete, and widening work is under way with completion anticipated for later this year. Other infrastructure improvements will be performed over the next several months throughout the City of Westlake and surrounding areas as agreed with the Calcasieu Parish and the Louisiana Department of Transportation and Development.

#### **A major milestone**

We safely completed our first heavy haul - a 940-ton boiler - through the City of Westlake to its permanent foundation within the project site via the heavy haul route.

**Louisiana First**

Sasol is delivering on our Louisiana First commitment to hiring local people and using local contractors. To date, Sasol has hired more than half of the 500-plus employees it expects to hire for the project. Nearly 90 percent of those hired are from Louisiana, most from Calcasieu Parish. We've also committed more than \$2.5 billion to eight major Louisiana contractors.

**Our engagement with Mossville**

Sasol is proud of our engagement with our neighbors in Mossville, Louisiana, a community west of our Lake Charles Chemical Complex. From the early stages of our expansion project, we've continually reached out to Mossville residents to keep them informed of our plans and solicit their input on what we can do to make a positive difference in their community. The result is an extensive, ongoing partnership between Sasol and Mossville to address their desires, give them the choices they asked for, and provide sustainable, long-term support to increase economic opportunities.

**\$500,000 invested in local scholarships**

Sasol recently contributed \$155,000 to the Community Foundation of Southwest Louisiana's Workforce Scholarship Fund, bringing our total investment of more than \$500,000 in the program to date. Sasol's commitment follows successful outcomes of its first round of scholarships in 2015. Unemployed and underemployed residents, most from Westlake and Mossville, are now completing skills training and gaining employment with local industrial companies and contractors.

**2,000 attended Sasol job forum**

In February, Sasol, in partnership with its project contractors, the Calcasieu Business and Career Solutions Center and community partners, hosted a job readiness forum for local residents. The more than 2,000 attendees met with Sasol, its Louisiana contractors, local craft training providers and resource-based organizations to learn about job opportunities, training availabilities, financial assistance and support services available in the community.

**Sasol Update 6/16 – PRNewswire**

In March 2016, Sasol announced that it would be undertaking a detailed review of the Lake Charles Chemicals Project (LCCP), after deciding to pace the execution of the project to support the Company's low oil price Response Plan. At that time, there were early indications that the overall end-of-job cost was under pressure, and since the project engineering was at an advanced stage, sufficient information was available to proceed with a detailed project review.

The LCCP consists of a world-scale 1,5 million ton per year ethane cracker, and six downstream chemical projects - two large polymers plants (low-density and linear low-density polyethylene) and an ethylene oxide/ethylene glycol plant, which together will consume around two thirds of the ethylene produced by the cracker; and three smaller, higher-value derivative plants, which will produce speciality alcohols, ethoxylates and other products. The project is under construction near Lake Charles, Louisiana in the USA, adjacent to Sasol's current chemical operations.

A preliminary finding from the ongoing detailed LCCP review is that the expected total capital expenditure for the project could increase up to US\$11 billion, including site infrastructure and utility improvements. This estimate includes a sufficient contingency to effectively manage the project to beneficial operation. While the detailed review is still in progress, current indications are that the estimated capital expenditure increase is mostly due to construction delays caused by higher-than-



expected rainfall, higher labor costs, certain of the lump-sum bid contract prices being higher than originally estimated, as well as quantities of bulk materials being in excess of those included in the original estimate.

In addition, the slower rate of capital spend until June 2018, due to Sasol's low oil price Response Plan, has resulted in an extended project schedule and contributed to further project cost increases, which have been partially offset by productivity benefits due to improved phasing of engineering and construction activities. As of 30 April 2016, the capital expenditure to date on LCCP is US\$4,5 billion, and the overall project completion has progressed beyond 40%. It is, however, important to emphasize that no material or unexpected scope changes to the project have taken place. Overall construction on the project continues on all fronts, with most engineering activities nearing completion and procurement well advanced.

As the review progresses and additional information becomes available, management is setting firm targets and objectives for the project team in order to minimize the capital expenditure and optimize the overall project schedule. It is, however, expected that the ethane cracker will achieve beneficial operation in the second half of calendar year 2018, which will enable around 80% of the total output from LCCP to reach beneficial operation later in 2018 and early 2019. The remaining volumes from the other derivative units will reach beneficial operation by the second half of 2019.

The expected returns for the project have reduced due to changes in long-term price assumptions and the higher capital estimates, and are now expected to be around Sasol's weighted average cost of capital, compared to returns approximating hurdle rate at the time of Final Investment Decision in October 2014. The increase in the estimated LCCP capital cost and extended schedule will reduce the expected project returns by approximately the same amount as the Company's lower long-term price assumptions.

Although the capital expenditure for LCCP is expected to increase, Sasol does not expect this to result in the Company exceeding its self-imposed gearing targets. The Company is continuing with its previously announced low oil price Response Plan, and will manage its balance sheet to incorporate the current estimated capital expenditure. The funding strategy has not changed as a result of the higher capital expenditure estimates. The project will continue to be funded from existing facilities and ongoing group cash flow.

The detailed LCCP review is expected to be completed during the third quarter of 2016, and further details will be communicated together with Sasol's annual results announcement on 12 September 2016.

### **Sasol project update 9/16**

The construction of Sasol's multibillion dollar Lake Charles Chemicals complex is 50 percent complete, according to the company's annual fiscal year report. Several months ago, Sasol officials said the projected cost for the project had jumped from \$8.9 billion to \$11 billion. In the recently release report, the company confirmed that "a high degree of certainty exists" of the cost remaining at \$11 billion.

The chemical complex consists of an ethane cracker producing 1.6 million tons of ethylene a year; two polymer plants; an ethylene oxide-ethylene glycol plant; and three smaller derivative plants. The facility's seven manufacturing units are spread across roughly 400 acres in Westlake. Overall, the project will triple Sasol's chemical production capacity in the U. S., according to company officials.

Sasol reached the 50 percent completion mark for the project on June 30. The beneficial operation date of the ethane cracker was delayed to late 2018 to enable the facilities representing 80 percent of

the Lake Charles complex's total output to begin producing by early 2019, according to the report. Officials said "a significant portion of the polyethylene" produced by the complex will be targeted for the export market and because of this, "Sasol's role in the growing global chemicals market will be substantively increased."

In the report, Sasol officials described 2016 as a challenging year for the company as initiatives were created to address a number of issues, including reducing the company's operating costs. The fiscal year report included a section addressing future financial risks affecting the company's performance. Sasol said that for planning and budgeting purposes, the company reviews "the demand and consumption for oil, global production and supply as well as the marginal cost of production."

According to the data, the growth in oil supply recently began weakening in the U. S. and non-OPEC countries, all of which are seeing increased financial pressure from low oil prices. Sasol officials said the company will "remain cautious on the short-term outlook," but officials expect supply-demand balance to start to tighten in late 2016 into the first half of 2017.

## **SOWELA TECHNICAL COMMUNITY COLLEGE**

### **Student Success Building 9/14**

**Lake Charles** - SOWELA Technical Community College received a \$100,000 gift from the Calcasieu Parish Police Jury in support of the ACT 360 initiative to fund an \$8 million Student Success building. Construction on the new Student Success building will begin in 2015. The new building will help SOWELA provide more comprehensive student services that will encourage, support, and strengthen students' academic success. Services provided in the building will include Enrollment Management, Admissions, Financial Aid, Veterans Affairs, testing and mentoring, and disability services, as well as a fitness area and food court. The new Student Success building will be centrally located and will become the hub of activity on the SOWELA Lake Charles campus.

This gift will be matched by the State at a rate of 8-to-1 as part of the ACT 360 Initiative and will allow SOWELA to be in the first group of LCTCS colleges to begin construction in 2015. The Student Success building will be the center of student activity on campus and serve as a student union as well as the "One Stop Shop" where all student-related services will be housed. This central location will make the process of enrolling, admitting, and processing much less complicated and time consuming allowing students to receive success counseling, and congregate to study and be with other students. The Student Success center will be a modern building centered around meeting student needs and providing excellent customer services. The \$100,000 gift from the Calcasieu Parish Police Jury along with other significant gifts enabled SOWELA to meet the State's stipulation to secure from the private sector 12 percent of the total cost of the building. Through the generous support of the Police Jury, the Chenault Airport Authority and, other generous donors, the College was able to raise the \$981,000 needed to receive the 8-to-1 match from the State that will result in a building that will have immediate and long term impact on enrollment, retention, and will enable the College to better provide the well-trained workforce needed by the expanding economy of Southwest Louisiana.

### **Update Sowela 10/14**

Sowela Technical Community College celebrated two milestones — the ribbon cutting for its new nursing building and the groundbreaking for its \$20 million regional training facility. Officials broke ground on the 67,000-square-foot regional training facility. When the announcement in 2012 was made by Sasol about its expansion plans, Governor Jindal also announced that the state would fund the training hub. The center, its purpose to train the workforce needed for the expansion, will stand across from Sowela's main campus. Construction started officially in late September and should be completed in a year. The city of Lake Charles, Calcasieu Parish Police Jury and Chenault International Airport Authority bought the 13-acre parcel for \$1.7 million and transferred the property to the state, which earmarked the land for the training center. The new facility will have

computer labs, classrooms and industrial lab sites— training 2,300 workers annually for Sasol and other area industries. It will allow Sowela to expand and enhance its process technology and instrumentation degree programs.

Officials also cut the ribbon on the 35,000-square-foot H.C. Drew Nursing and Allied Health facility. Construction of the building, in the planning stages since 2007, began in February 2013 and was completed in July. The H.C. Drew Foundation donated \$2.8 million to help fund the building. And along with state dollars, the total cost was \$8.8 million. The facility has 11 classrooms, a science lab and a computer lab. One of the highlights is a simulation lab — complete with beds and teaching aids. The new building will let Sowela expand its nursing services and phase in allied health programs. McNeese State University will move its two-year program into the building, and McNeese and Sowela faculty will partner in the initiative.

“McNeese and Sowela for years have worked together seamlessly across their institutions, across their faculty lines, to serve their community and serve their students,” Governor Jindal said. “I think it’s a great model for the state and the country— how our schools can work together for the benefit of everybody.”

### **Sowela Update 9/15**

The start of construction on Sowela Technical Community College’s Student Success building is a few months away. The ground breaking for the project is tentatively scheduled for November. The 30,000 square foot facility will provide comprehensive services to students, including enrollment management, admissions, financial aid, veterans affairs, testing and mentoring, and disability services. Other significant construction near the campus is associated with a regional training facility. Officials broke ground on the 67,000 square foot facility in 2014. Ground breaking is expected this fall for a \$10 million Sowela Technical Community College next to Jennings High School in Jefferson Davis Parish.

### **Regional Training Center 11/16**

Gov. John Bel Edwards cut the ribbon on the new Regional Training Center at SOWELA Technical Community College on Nov. 7, 2016. SOWELA’s Regional Training Center was built to educate and train Southwest Louisiana’s workforce to meet employer demands. The Regional Training Center was planned and constructed to help with the specific training needed by Sasol after the announcement of their major expansion in 2012.

The Center is a \$20 million, 67,000-square-foot facility housing computer labs, classrooms, and industrial lab sites. Champeaux, Evans, and Hotard Architects designed the building and Alfred Palma, LLC was the general contractor. According to Dr. Neil Aspinwall, SOWELA Chancellor, “The new Regional Training Center is truly a community project. From the acquisition of the land, to the planning, design, and construction of the building; the City of Lake Charles, the Calcasieu Parish Policy Jury, the Chenault Airport Board, and the State of Louisiana have all made major contributions to ensure the project was a success. We are very pleased with the facility and excited to be able to utilize it to will help produce the workforce needed by Sasol and many of the other industries in southwest Louisiana.”

SOWELA’s students attend classes, receive lab instruction, and obtain hands-on training for industry-related programming such as Industrial Instrumentation Technology, Industrial Electrician, Machinist, and Chemical Laboratory Technology. Local industry including Sasol and other partners will also utilize the Center’s facility, technology, and equipment to educate and train their employees. Louisiana Economic Development will have office space and staff within the Center. For information on SOWELA’s School of Industrial Technology, contact Mr. David Lafargue at 337-421-6997 or visit <https://www.sowela.edu/programs-of-study>. SOWELA Technical Community

College provides traditional, distance, and lifelong learning experiences and awards associate degrees, technical diplomas, and certificates that empower learners in transfer, career and technical education to excel as globally competitive citizens. The College has been educating the region's workforce for more than 75 years.

#### **UNION PACIFIC RAILROAD 4/16**

A Union Pacific rep said that a rail replacement project between Sulphur and Iowa and railroad tie replacement project between DeQuincy and Kinder has started. Jeff DeGraff, UP director of media relations for the southern region, told the Daily News that the projects kicked off April 8 and will close May 15. Work crews will still go up and down the lines to pick up old rail and check signals and switches and will continue to do so for a few weeks.

Earlier this year, the railroad announced the \$58 million investment statewide in transportation infrastructure improvements — \$52 million on railroad tracks and \$6 million in bridge maintenance — in an effort to enhance employee, community and customer safety and increase rail-operating efficiency. Brenda Mainwaring, Union Pacific vice president of public affairs, southern region, reported that the company invested \$13 million to replace 29 miles of rail track between Sulphur and Iowa and \$6 million to replace 44,140 railroad ties from DeQuincy to Kinder and install 22,144 tons of rock ballast. Union Pacific said in a news release earlier this year that they have already invested more than \$619 million from 2011 to 2015, contributing a 25 percent decrease in derailments over the last 10 years.

#### **VETERANS AFFAIRS HOSPITAL 12/14**

**Lake Charles Area** - VA officials from Alexandria conducted a town hall meeting with local veterans on December 15 to discuss concerns and give an update on the proposed VA clinic. While veterans expressed concerns ranging from appointment scheduling, service availability, prescriptions, and travel reimbursement, their biggest beef was what is taking so long with the construction of a permanent outpatient facility to replace the interim clinic. The technical review board traveled to Washington D.C. in early November to review proposals. She said the review process is complete and they plan to award a lease for a permanent veterans' clinic in Lake Charles no later than February 27, 2015.

The lease will be over \$2.6-million. The facility will provide primary care services, mental health, and some specialty care for veterans. It will have a staff of 7-8 doctors. It will also provide tele-healthcare with specialists for services they cannot offer on site. No word has been released on a location. That will be announced when they award the project. However, officials say it will be a renovation of an existing building. It will take roughly a year to 18 months to complete the project.

#### **Veterans Hospital Update 7/16**

Jim Jackson, chairman of the Lake Charles Mayor's Armed Forces Commission, described the groundbreaking of a permanent Veterans Affairs clinic as "finally seeing some light at the end of a very long tunnel." Jackson joined dozens of elected officials and veterans to celebrate the groundbreaking of the facility, at 3601 Gerstner Memorial Drive. The site, formerly the Lake Charles Toyota office, will house a 24,000-square-foot clinic and will provide primary and mental health care, some specialty services and an expanded lab.

Peter Dancy, medical center director for the Alexandria VA Health Care System, said Southwest Louisiana veterans have waited too long to get a permanent VA facility secured in Lake Charles. The project was riddled with delays over many years. Dancy said construction should be done by the summer of 2017 and that the facility will open 90 days after that.

Skye McDougall, network director of the South Central VA Health Care Network, said the VA is also working to improve the interim clinic in Suite 100 at 814 W. McNeese St. She said the interim clinic, open since November as a replacement for the mobile clinic on Fifth Avenue, should have a

new pharmacy dispensing machine by mid-July. McDougall said specialty care access in the region should be improved, along with implementing Telehealth at the interim clinic.

## **WEST CALCASIEU PORT BARGE BASIN EXPANSION 2/12**

**Industrial Intercoastal Area** - Apollo Environmental Strategies of Beaumont, Texas is the contractor on the \$2.3 million expansion project at the West Calcasieu Port that will result in the creation of 800 linear feet of barge basin shoreline for an additional 25-30 barge slip.

### **West Calcasieu Port Expansion 4/16**

West Calcasieu Port officials announced that it has awarded a construction contract to Orion Marine Construction, Inc. for \$1,589,632.10 for the replacement of 40-year-old bulkheading along the port's waterfront on the Gulf Intracoastal Waterway. "Incorporated in the construction project plan is the replacement of aged, deteriorated bulkhead with new steel bulkhead," said West Calcasieu Port Director Lynn Hohensee. Underscoring the business-case need for the expanded barge basin, Hohensee noted that servicing commercial barge transportation operations along the Gulf Intracoastal Waterway is a critical component of the port's operations, and that the port has experienced an increased occupancy rate for its marine services facilities.

West Cal Port Engineer Chuck Stutes of Sulphur-based Meyer & Associates, Inc. has estimated that approximately 300 linear feet of 600-foot length of steel bulkheading will replace aged infrastructure that was installed in the 1970s. Significant funding support will come from a \$1,305,000 Capital Outlay Grant from the State of Louisiana. Located on 190 acres 12 miles south of Interstate 10 just west of Highway 27, the West Cal Port has 7,000 feet of waterfront property on the GIWW. Current tenant activity includes barge fleeting operations, dry-cargo barge cleaning, diesel engine repair, maritime construction operations, concrete manufacturing and concrete pumping services.

The new bulkhead improvements are critical to the port in its efforts as an economic development engine to assist our family of tenants grow their operations, expand their workforce and increase their investment in our community through a larger tax base. In addition to Devall Towing fleeting operations of more than 100 barges/day, the port's waterfront also is home to marine construction operations, wet barge cleaning/stripping operations and dry-barge cleaning/repair facilities. Devall Towing anticipates that by 2020, Southwest Louisiana will see its regional demand for barge fleeting space exceed more than 200 barges per day. At the West Cal Port, we are doing all we can to help meet that growing demand – not only to provide a place to "park" barges, but also to service them.

## **WORKER VILLAGES**

As of February 2016, three non-traditional temporary housing developments have been permitted to meet the demand of surging job growth forecasted for Southwest Louisiana.

**Bayou Lodge** – North Bay Properties/Ernie Sanders, 2926 Highway 90 West with 972.

### **Deerfield Lodge on Hwy 108 4/15**

Project is located on Highway 108 south of Sulphur and could house 1,566 workers.

**Magnolia Lodge/Lake City Lodge** – Western Real Estate, LLC, 2751 Bayour D'Inde with 650.

### **Moss Lake Village @ Southland Field in Carlyss 4/14**

The planned community, Moss Lake Village, is designed to scale up and down, based on demand, and to accommodate up to 2,500 people at peak occupancy. As local communities, like Sulphur, contemplate an impending surge in industrial construction, a key concern is an increase in traffic. To address these concerns, the transportation services incorporated into Moss Lake Village are expected to significantly reduce the

number of vehicles traveling on Highway 27. It will provide housing for workers on the Sempra Cameron LNG project.

Based on First Flight's initial proposal, permanent infrastructure installed by First Flight will remain in place after the temporary village has been removed, thereby becoming assets for the long-term benefit of the airport. Additionally, once the community is at or near full occupancy, the company has agreed to make \$50,000 annual cash or in-kind contributions to the community for educational or youth activities. And in the case of a natural disaster and the cessation of construction activities, First Flight has agreed to provide ice, water, food, and short-term shelter to local families who are displaced by the disaster.

Specifically, in addition to the temporary residential development, the proposal by First Flight lays out plans for indoor recreational facilities as well as outdoor courts, playing fields, and outdoor cooking areas. Moss Lake Village residents will also be provided with on-site services, including transportation services, daily maid/laundry services, and daily breakfast, lunch, and dinner. On-site security for Moss Lake Village will be in place 24 hours-a-day, 365 days-a-year and will include oversight by Calcasieu Parish Sheriff's deputies, as well as additional private security.

#### **Update on Moss Lake 6/14**

The Calcasieu Parish Planning and Zoning board voted to approve a zoning exception to allow the workforce housing project. However, the board did place 11 conditions to which First Flight Holdings, the company behind the project, agreed. That includes a drainage impact study, a natural buffer where possible and exterior lighting pointed away from residents' homes. Others include submitting a landscape plan to providing a copy of a code of conduct to be signed by Moss Lake Village residents. One of the key promises made by First Flight Holdings is that it'll only have clients south of Southland Executive Airport. The First Flight Project received a zoning exception-- in part because it's considered temporary housing to help reduce the impact of industrial expansion in the area. When the industrial expansion is finished, First Flight will have six months to remove pods used to house workers.

#### **Mossville Lodge 3/15**

The zoning board approved a zoning exception to allow for a men's temporary worker facility on 11.7 acres at 1323 J. Clophus Road, near the Mossville area. The property was already rezoned from agricultural to light industrial. The facility will have up to 625 rooms and will be built in phases.

#### **Update Mossville 8/15**

Planning and zoning approved a total of 2,980 beds (2,380 Jack & Jill Rooms and 600 Management Rooms with private bathrooms). This site will include 125 retail parking spots, 572 on-site parking spots and 600 park and ride spots.

#### **Vinton Lodge located at 2400 block of Johnny Breaux Road**

A \$60 million, 2,520-bed worker village is expected to be built on 42 acres at the Port of Vinton, port officials announced. The port's Board of Commissioners voted 4-1 last week to accept a contract with Mossville Lodge to build the project, according to a new release from Port Director Lynn Hohensee. "Not only will this project help alleviate a critical housing shortage for temporary construction workers over the next several years, but it also will provide a strong revenue stream needed to meet infrastructure development at the port and a boost in local jobs for Vinton-area residents," said Jerry Merchant, Port of Vinton board president.

Mossville Lodge has one year to line up client contracts with construction contractors and sub-contractors under the company's arrangement with the port, Hohensee said. The lease agreement requires the Mossville Lodge to construct utility facilities to meet its own water and wastewater treatment needs. Merchant said he expects on-site construction work to begin as soon as front-end engineering and permitting steps are completed and Mossville Lodge signs client agreements.

#### **ONELodge North Lake located at 521 Pater Road in Sulphur**

The project has been two years in the making for its coordinator, Cotton Logistics. The Katy, Texas, company provides a full range of support for catastrophic disaster response and workforce housing shortages. Several local city and parish government officials and members of project coordinator Cotton Logistic's management team participated in breaking ground at the site of the ONELodge North Lake worker village Wednesday, June 8. The village is situated near the intersection of Prater Road and Old Spanish Trail.

OneLodge North Lake became the second temporary worker village to see shovel action in West Calcasieu at a groundbreaking ceremony held Wednesday, June 8, in Sulphur. The site, located near the intersection of Prater Road and Old Spanish Trail, could house 2,500 workers if built out to capacity. Construction on the initial phase — at an estimated cost of \$4 million — is set to kick off immediately and open for occupancy in the fall of this year. Phase One will provide beds for a little more than 200 workers within a 28-acre tract. The project has been two years in the making for its coordinator, Cotton Logistics.

The Katy, Texas, company provides a full range of support for catastrophic disaster response and workforce housing shortages. The private rooms for workers include a bed, flatscreen television, wardrobe, desk, mini-fridge, microwave, and full bath. Each resident will have a parking space. Three meals will be prepared each day, including box lunches to go, by the company's on-site culinary service and there will also be a snack bar open 24 hours a day. The village will include an on-site gym, business center, laundry facilities and recreation area. Cable and wireless internet will be provided. A 24-hour onsite team will oversee security and access to the village is through a gated entrance.

Despite low oil prices and a slow-down in local expansion, Chamber SWLA chairman John Pohorelsky is convinced the need for worker villages remains. He said the price of oil is steadily ticking up. "And I remain optimistic that we need workers to come here," he said. Pohorelsky said there are no alternatives to worker villages for housing an influx of workers. Without facilities like ONELodge, incoming workers would be homeless, or living in cars or in cheaply-constructed homes or hotels that would be abandoned after expansion ends. District 5 City Councilman Stuart Moss said the project won't intrude on anyone in Sulphur. There is no deeply populated residential area nearby, the project is set back far from the road, and traffic from the project will be heading east on Old Spanish Trail. "This project will be a benefit to the industrial boom and to the City of Sulphur through sales tax revenues," Moss said. Several local city and parish government officials and members of Cotton Logistic's management team participated in breaking ground at the site.

Until ONELodge is open for business, Moss Lake worker village at Southland Executive Airport is the only one in operation in West Calcasieu. Prior to the ceremony, Cotton's Regional Vice President Wendy Harper announced that the company was donating \$10,000 to the McNeese State University Foundation to be used for the David Connor Scholarship Fund. Conner was vice president of economic development and international services for the Southwest Louisiana Economic Development Alliance. He died in January of leukemia. Harper presented the donation check to his widow, Mary Beth Conner.

### **YORK CAPITAL (formerly JUNIPER GTL) 9/13**

**Westlake Industrial Complex** - Juniper GTL LLC announced the company will invest \$100 million to renovate a dormant steam methane reformer in the Westlake area and convert it to a natural gas-to-liquids facility, producing clean waxes, drilling fluids, diesel and naphtha. Juniper GTL will create 29 new direct jobs averaging \$85,000 per year, plus benefits, and LED estimates the Westlake development will result in an additional 112 new indirect jobs, for a total of 141 new jobs. The Juniper GTL project will create an estimated 125 construction jobs. Construction of Juniper GTL's facility and management hiring, with the support of LED FastStart, is beginning now with additional hiring to take place as the project nears completion in early 2015.

**Update 4/14**

Preliminary fieldwork is underway on the Juniper GTL plant in Westlake as workers begin examining the site's existing equipment, which will be refurbished for the new facility. The bulk of the fieldwork will begin next week and is expected to take about four months to complete. Matrix Service of Orange, Texas, has been chosen to do most of the fieldwork, which will include installing new piping and bracing. The company will also clean out and inspect the existing equipment to ensure it works properly before it becomes integrated with the new GTL plant. The existing facility is in very good shape, but it needs to be refurbished to make sure that it operates properly. The estimated \$100 million facility will produce about 1,100 barrels a day of diesels, waxes and naphtha.

The project is expected to create 29 direct jobs, which pay an average of \$85,000 a year, plus benefits. Louisiana Economic Development estimates the facility will create 112 indirect jobs. Construction workers are currently examining the site's equipment, which was originally owned by Praxair, an industrial gases company based in Danbury, Conn. Praxair sold the equipment and land to Juniper last June. Workers are opening up the equipment to get it ready for final inspection, clean out and refurbishment. Among the former Praxair equipment Juniper is looking to refurbish is a steam methane reformer, which will be at the heart of Juniper's daily operations. The steam methane reformer will convert natural gas into synthesis gas, a combination of hydrogen and carbon monoxide, which is used to make products such as methanol and ammonia. They don't expect to see any major groundwork on the site until the fall, when construction is slated to begin on the plant's foundation. Hiring for non-labor jobs at the Juniper plant has begun. A full-time human resource officer is now at the company's Interstate 10 office to assist with screening and candidate selection. Those interested in submitting a resume to Juniper can do so via email at [general@junipergtl.com](mailto:general@junipergtl.com). Hiring for the project's craft labor jobs will be done by the engineering and construction contractors hired to design and build the facility. The project's front-end engineering and design contract was sent out for bid a year ago.

#### **Juniper GTL adds Calumet as JV partner 6/14**

Calumet Specialty Products announced its investment as a joint venture partner in the construction of a commercial gas-to-liquids (GTL) plant that is expected to produce 1,100 bpd of refined products, including waxes, drilling fluids, distillate and naphtha, from natural gas. The plant in Lake Charles, Louisiana, which is expected to be operational by late 2015, has a total estimated cost of \$135 million. The brownfield plant will be owned and operated by Juniper GTL, a company also co-owned by SGC Energia and Great Northern Project Development and will be funded through a combination of equity and senior secured debt. Calumet intends to invest \$25 million in exchange for an equity interest of approximately 22% in the joint venture.

The Juniper GTL process starts with the reforming of natural gas into a mixture of hydrogen and carbon monoxide. These gases are then sent to a reactor, where they combine into a paraffinic liquid through a reaction known as Fischer-Tropsch (FT). The resulting liquid is ultimately refined by distillation and hydrogenation. The whole process, guaranteed under a single GTL license (XILH), focuses on the reliable, profitable production of specialty and fuels products. "This joint venture offers Calumet the opportunity to lead a growing market that converts lower-cost natural gas into higher value liquids," said Jennifer Straumins, chief operating officer of Calumet. "Looking ahead, we believe this project puts Calumet in a leadership position to capture promising GTL opportunities which we anticipate to arise given expectations for continued growth in domestic natural gas production in future years."

#### **York Capital Update 7/16**

York Capital's recent acquisition of SGC Energia Co. and the assets of Juniper GTL represent the final steps of a lengthy financial process. York Capital, a global investment firm founded in 1991, announced its new controlling interests in the company on July 12. Juniper GTL is SGC Energia's commercial-scale facility under construction in Westlake, and the facility is expected to be fully



operational by late 2017. Vianney Vales, CEO of SGCE, said in a statement that York Capital's financial backing plays a role in SCGE's ability to now have "a clear and foreseeable path to the near-term development of a significant US-based GTL business."

York Capital was able to obtain the company's assets because Juniper GTL formerly filed for Chapter 11 bankruptcy in April. "These acquisitions present a highly compelling investment opportunity," said Glen Gordon, managing director at York Capital Management. "The Juniper plant's near term path to commercial operations coupled with SGC Energia's capability to target attractive end markets is a unique proposition in the energy and chemicals arena."

Only July 14, Juniper GTL filed a liquidation plan, as well as the deadlines it would be following when filing administrative expense claims, professional fee claims and rejection claims. The bankruptcy court also gave an order that same day approving the sale of Juniper GTL's assets. Juniper GTL's \$100 million effort to renovate a dormant steam methane reformer in Westlake and convert it to a natural-gas-to-liquids facility will create 29 direct jobs average \$85,000 per year, according to company officials.

In 2013, Juniper GTL announced a \$100 million natural gas to liquids plant in Southwest Louisiana. The facility is currently under construction and will be operational in the second half of 2017. It is expected to be North America's largest commercial F-T facility, converting natural gas into ultra-high quality, pure waxes used in construction materials, adhesives and consumer goods.

## **-CAMERON PARISH-**

### **KPLC TV - Cameron destined to become 'the world's LNG export capitol' 7/15**

Cameron Parish seems destined to become the LNG export capitol of the world with seven facilities under construction or announced. Louisiana's natural resources, waterways and pipeline infrastructure are some of the reasons why Cameron Parish is becoming the LNG export capitol of the world. Right now the two export facilities under construction are Cameron LNG in Hackberry and Cheniere Energy's project at Sabine Pass.

But what's in it for Cameron Parish? We don't have exact numbers, but many workers come from Texas. The locals say some are shuttled in white buses at shift change. Many come here to Bayaks Country store for breakfast, lunch or after work, maybe for just a taste of the culture. "They're from all over the United States. It's different here in Louisiana for them, a whole different culture. But they're very friendly. They're just nice guys that have a family back at home and doing a job, said Bonita Stanley, store manager. Plus, officials and residents said Cheniere is always doing something for the community. "Anytime the basketball team or the school needs money academically, field trips or anything Cheniere always gives them the money that they ask for. All we have to do is call them and tell them what we need and they give it to us," said Pamela Romero, Bayaks Country Store's owner.

The issue of out of state workers has been important to state senator Blade Morrish since Cheniere first came here in 2007. "I've expressed that to Cheniere on more than one occasion, I've expressed it since the day they broke ground on their import facility that I felt like Port Arthur was going to be the biggest beneficiary and to some degree they have been. Not because Cheniere hasn't tried. The issue is predominantly housing."

Clair Hebert Marceaux, Cameron Parish Police Jury director of economic development, said there are incredible opportunities. "All the vendor services that accompany like Cheniere will need to operate there facility. We're talking more than a thousand vendors for one particular operation. Those stretch from pipefitters and pipe cutters -- work that is done by a contractor off site and then delivered to the site. There are literally lists and lists of all the opportunities that will be available to contractors and employees at those

facilities that are under construction now," said Marceaux. Morrish agrees with Marceaux -- there are not enough workers in Cameron Parish to fill the jobs.

"The tangible benefit from companies like Cheniere Energy and Cameron LNG locating here are the jobs. We're looking at thousands of construction jobs, between those two projects -- nearly 8,000 construction jobs. In Cameron Parish, we have just over 6,800 residents, and right now, 8,000 construction jobs. So, it's literally unfathomable that we can meet all of those needs so we have to reach out to our neighbors in Texas, in Acadiana and extend those jobs to those folks as well. We're all neighbors," she said. Marceaux said Cheniere means many things for Cameron Parish but especially jobs. Yet she said between Cheniere Sabine Pass and Cameron LNG in Hackberry, there's no way the parish could provide enough workers. She said Cameron did not have housing available for all the workers who would come here for jobs, so some have to live in Texas, but they are working to address that in the future.

Louisiana offers numerous economic incentives to lure big business here. But some raise concerns, whether the state is giving away the store through tax breaks, such as the Louisiana 10-year industrial tax exemption? When the 10-year industrial tax exemption ends for Cheniere, the company will pay property taxes on its investment and those taxes paid in advance will be deducted from their tax bill. The parish has a deal with Cheniere called PILOT -- "Payment in Lieu of Taxes," and every year since since 2007, parish officials said Cheniere has paid almost \$2.5 million. That money is divvied up between about 15 local governmental entities and used to support law enforcement, the school board, roads, drainage, mosquito control, the library and more. Plus, Marceaux said the company is constantly doing something for the community.

### **CAMERON LNG 5/12**

**Hackberry Area** - Sempra Energy Inc. has secured the third and final commercial agreement to develop a \$6 billion natural gas liquefaction export facility at the site of Sempra's existing Cameron LNG LLC, or liquefied natural gas, receiving terminal in Hackberry, Louisiana located on Lake Charles Harbor and Terminal District property. The facilities will chill natural gas into a liquid that can be shipped on tankers and will allow U.S. based producers to export natural gas to overseas markets for higher profits. A recent production boom has pushed U.S. natural gas prices to 10-year lows. Construction will begin in 2013 and take place in three phases, with the first liquefaction train opening in late 2016 and the other two trains coming online about five and 10 months after the initial capacity. The 12 Mtpa LNG export facility will add 130 new direct jobs with average annual salary of \$80,000 plus benefits, retain 60 existing jobs at Sempra's Cameron Parish terminal and result in an estimated 610 permanent new indirect jobs, along with 3,000 construction jobs at peak activity.

In addition to this project, Cameron LNG has a \$30 million expansion which will create an additional 100 construction jobs.

### **U.S. Energy Department Conditionally Authorizes Cameron LNG to Export to Non-Free Trade Agreement Countries 2/14**

The U.S. Energy Department announced that it has conditionally authorized Cameron LNG, LLC to export domestically produced liquefied natural gas to countries that do not have a Free Trade Agreement with the United States from the Cameron LNG Terminal in Cameron Parish, Louisiana. The Cameron application was next in the order of precedence after the Energy Department conditionally authorized additional volume from Freeport's proposed LNG facility in November of 2013. Subject to environmental review and final regulatory approval, the facility is conditionally authorized to export at a rate of up to the equivalent of 1.7 billion standard cubic feet per day (Bcf/d) of natural gas, for a period of 20 years. The U.S. Energy Department considered the economic, energy security, and environmental impacts as well as public comments for and against the application and determined that exports from the terminal at a rate of up to 1.7 Bcf/d for a period of 20 years was not inconsistent with the public interest.

By authorizing Cameron, the Department of Energy will have cumulative authorized non Free Trade LNG exports totalling 8.47 Bcf/d of natural gas or 3.091 Tcf/yr for the one final and five conditional export authorizations granted. They are Sabine Pass (2.2 Bcf/d), Freeport I (1.4 Bcf/d), Lake Charles Exports (2.0 Bcf/d), Dominion Cove Point (.77 Bcf/d), Freeport II (.4 Bcf/d) and now Cameron LNG (1.7 Bcf/d). In May of 2013 Mitsubishi Corporation and Mitsui & Co., Ltd announced they had signed 20-year tolling capacity and joint-venture agreements to support the development, financing and construction of the LNG export facility at the site of the Cameron LNG receiving terminal in Hackberry. The tolling agreements subscribe the full nameplate capacity of the three-train, 13.5- million-tonnes-per-annum (Mtpa) facility that will provide an export capability of 12 Mtpa of LNG, or approximately 1.7 billion cubic feet per day (Bcfd), and the full regasification capacity of 1.5 Bcfd. Each tolling agreement was for 4 Mtpa.

The liquefaction project will use Cameron LNG's existing facilities, including two marine berths capable of accommodating Q-Flex sized LNG ships, three LNG storage tanks with a combined storage capacity of 480,000 cubic meters. The new facilities will be wholly owned by Cameron, which in turn, will be wholly owned by Cameron LNG Holdings, LLC. Cameron LNG Holdings, LLC will be 50.2 per cent indirectly owned by Sempra Energy (Sempra) with GDF SUEZ S.A. (GDF SUEZ), Japan LNG Investment, LLC (a joint venture entity that has been formed by subsidiaries of Nippon Yusen Kabushiki Kaisha (NYK) and Mitsubishi Corporation (Mitsubishi)) and Mitsui & Co., Ltd. (Mitsui) each owning a further 16.6 per cent.

#### **Update on Cameron LNG 6/14**

Sempra Energy announced that its subsidiary Cameron LNG has received authorization from the Federal Energy Regulatory Commission to site, construct and operate a natural gas liquefaction and export facility at the site of the company's LNG receipt terminal in Hackberry. The FERC permit is one of the last major regulatory approvals required to start construction on the \$9-10 billion natural gas liquefaction facility. Cameron LNG will still need the Department of Energy to issue its final approval for an export license.

The authorization approves the development of the three-train liquefaction facility that will provide an export capability of 12 million tonnes per annum of LNG, or approximately 1.7 billion cubic feet per day (Bcfd). FERC also authorized a subsidiary of Sempra Energy to construct a 21-mile, 42-inch natural gas pipeline expansion of the Cameron Interstate Pipeline, new compressor station and ancillary equipment that will provide natural gas transportation for the liquefaction facilities.

Earlier this year, Cameron LNG was awarded conditional approval from the U.S. Department of Energy to export LNG to non-free-trade-agreement countries, including Japan and European nations.

#### **Update 7/14**

Sempra Energy, Cameron's parent company, was awarded FERC's authorization to construct permit on June 19. Sempra executives must now wait for the U.S. Department of Energy's final approval of their license to export gas to nations that lack free trade agreements. The department gave Sempra conditional approval in February.

Sempra plans to expand its Cameron LNG plant in Hackberry with three trains that will produce a combined total of up to 12 million metric tons of LNG per year for export. Construction on the estimated \$10 billion project is slated to begin this fall. The trains will take about four years to build, creating about 3,000 construction jobs during peak times, officials have said. The project is also expected to create 140 permanent positions.

FERC released its final environmental impact statement on the Cameron LNG project in April, concluding that it “would result in some adverse environmental impact,” but that “those impacts would not be significant.” Landrieu’s office sent a letter to DOE requesting final approval of Semptra’s LNG’s non-FTA export permit as soon as possible.

### **October 23, 2014 – Cameron LNG Export Project Breaks Ground in Louisiana**

More than 300 community, business, government and international leaders took part in a ground breaking ceremony for the new \$10 billion liquefaction export facilities at Cameron LNG in Hackberry, Louisiana. The LNG export project is being developed by a joint venture formed by Semptra LNG, GDF SUEZ S.A., Mitsui & Co., Ltd. and Mitsubishi Corporation. Cameron LNG was completed in 2009 as a LNG receiving terminal along the Calcasieu Channel. The project will use Cameron LNG’s existing facilities, including two marine berths capable of accommodating Q-Flex sized LNG carriers.

"Today is a special day for all of us at Cameron LNG," said Farhad Ahrabi, CEO of Cameron LNG. "We are proud to kick off construction alongside elected leaders from Louisiana, community members who have supported this project since day one, our Cameron LNG partners and our dedicated employees that have helped make this project a reality. We look forward to 2018 when the first LNG cargo is loaded and on its way to global markets."

The liquefaction project will have three trains with an export capability of 12 million tonnes per annum of LNG or approximately 1.7 billion cubic feet per day. All three trains are expected to begin operations during 2018, with the first full year of operations in 2019. The Cameron LNG liquefaction project received final approval to operate by the Federal Energy Regulatory Commission in June 2014. In September the project received the U.S. Department of Energy's final authorization to export LNG to non-free-trade-agreement countries.

### **Cameron Access Project 9/15**

The Federal Energy Regulatory Commission has approved the construction of a project in Cameron Parish that will eventually supply natural gas to the Cameron LNG export facility in Hackberry. The announcement of the FERC approval for the Cameron Access Project was made by the Columbia Pipeline Group Inc. and Columbia Pipeline Partners LP. The Appalachian natural gas that will be supplied to the Cameron LNG facility will come by way of the two company’s subsidiary, Columbia Gulf Transmission LLC. The Cameron Access Project will include the installation of about a 26-mile pipeline in Cameron Parish. Julie Nelson, vice president of government relations and public affairs at Cameron LNG said that the pipeline will provide access to additional upstream natural gas supply which she described as essential to the operation of the facility. Other project improvements include upgrades to Columbia Gulf’s existing pipeline system as well as ancillary facilities and a new compressor station near Lake Arthur. Officials said the project has an investment of about \$310 million (now 300 million) and construction is scheduled to begin in spring 2016 and be completed by 2018.

### **CHENIERE ENERGY 1/12**

**Sabine Pass in Cameron** - Houston-based Cheniere Energy announced it would expand its Sabine Pass terminal with one of the largest capital investments in Louisiana history and began building an \$11 billion liquefied natural gas, or LNG, facility to transport affordable natural gas around the world from Louisiana and its interstate pipeline connections. The project has created 283 jobs with a total compensation and benefits package that will exceed an annual average of \$100,000. The new jobs would support another 589 indirect jobs in the area, 150 resident contractors and 3,000 construction jobs are projected at the peak of construction activity. The new facility will handle the shipment of liquefied natural gas, or LNG, from the company's international LNG terminal. The construction of Cheniere's liquefaction project in Cameron

Parish will provide key support to Louisiana's economy and natural gas industry, which has been transformed by the development of the Haynesville Shale. In only two years, Louisiana's natural gas production has doubled as the Haynesville has grown into one of the most prolific shale plays in the world. This liquefaction project will provide thousands of jobs in Southwest Louisiana while connecting the state's natural gas industry to global markets, making Louisiana the world's first dual importer and supplier of LNG. Cheniere Energy anticipates construction will begin in mid-2012, with hiring of the new permanent jobs beginning in 2014. The company will commence operations at the liquefaction facility in 2015, and the second phase of the project is expected to be completed by the end of 2018. Adding liquefaction capabilities will transform the Sabine Pass terminal into a bi-directional facility capable of exporting LNG in addition to receiving LNG for regasification.

### **Cheniere's Investment in Southwest Louisiana 10/13**

Cheniere began construction of its Sabine Pass Liquefaction Project in Cameron Parish, Louisiana in August of 2012. The project's total cost is expected to be approximately \$18 Billion and be fully complete in 2019. The completed facility will directly create 580 new jobs in southwest Louisiana.

*Current Construction:* Cheniere – through our EPC contractor Bechtel – is currently building Trains (aka - LNG production units) 1-4 of the facility. These units have been fully permitted by the federal government – meaning they have received DOE approval to export to non-FTA nations and the Federal Energy Regulatory Commission has authorized siting and construction. In addition, the LNG produced by Trains 1-4 has already been sold under 20 year contracts to major global purchasers of LNG. This phase of the project, already under construction, represents a \$12 Billion investment in southwest Louisiana. The total cost of this construction – that which is being paid to our EPC contractor – is approximately \$7.8 billion dollars. The remaining balance represents financing and other business costs. Trains 1-4 will create 280 full-time positions within Cheniere and an additional 150 full-time, permanent contractor positions – for a total of 430 new jobs in southwest Louisiana.

*Trains 5 and 6:* In 2013, Cheniere announced an expansion of the Sabine Pass Liquefaction project. We have initiated the DOE and FERC permitting process, and plan to move forward with construction upon regulatory approval. The capacity of train 5 has already been sold under long-term contract to global purchasers of LNG. Engineering cost estimates are not yet complete for Trains 5 and 6; however we estimate that the total cost will be at least \$6 billion. Assuming a similar model to Trains 1-4, the actual construction cost will be approximately \$4 billion. Trains 5 and 6 will create an additional 150 full time positions at the facility – with 120 being direct hires to Cheniere and 30 being full-time, permanent contractors.

### **Cheniere's SWLA Investment Increases 1/14**

Cheniere CEO Charif Souki said Sabine Pass LNG's expansion will consist of six trains, each of which is expected to produce 5 million tons of LNG a year. Four have already received DOE permits, which will allow the company to export LNG to countries with whom the United States has a free trade agreement and to non-FTA nations. The plant's other two trains are in the permitting process with DOE. Cheniere has LNG customers for 75 percent of the facility. When finished it will be a **\$20 billion investment** in Southwest Louisiana with \$12 billion already spent over the last 18 months. Cheniere has 2,500 people working at Sabine Pass LNG and is increasing its construction staff by 250 people a month. Peaking this summer with over 4,000 people — probably closer to 4,500 — and who will be there for the next five years. When all six trains are developed, there will be somewhere between 13,000 and 14,000 upstream jobs.

Cheniere received FERC approval on the Sabine Pass project in April 2012. The facility's expansion will make it the first of its kind in the contiguous United States capable of exporting natural gas as

LNG. The company's existing import terminal has regasification and send-out capacity of 4 billion cubic feet a day and can store close to 17 billion cubic feet of gas.

#### **Cheniere LNG Sales 8/15**

Cheniere Energy, Inc. announced that its wholly owned subsidiary, Cheniere Marketing International LLP has entered into sales arrangements with Électricité de France, S.A. ("EDF") for the delivery of LNG cargoes on an ex-ship basis from the Sabine Pass LNG terminal to the Dunkerque LNG terminal in France. The sales arrangements cover the delivery of up to 26 cargoes, or up to approximately 100 million MMBtus, through 2018. The sales price for the LNG cargoes is linked to the Dutch Title Transfer index, a natural gas pricing index in continental Europe. Volumes will be sourced from Cheniere Marketing's LNG supply portfolio, which includes rights under a sale and purchase agreement with Sabine Pass Liquefaction, LLC to purchase any LNG produced from Sabine Pass in excess of that required for other customers. Cheniere Marketing has a similar SPA with Corpus Christi Liquefaction, LLC for LNG produced from Cheniere's Corpus Christi liquefaction project. On a combined basis, Cheniere Marketing's LNG portfolio is expected to have approximately 9 million tonnes per annum of LNG available from the nine liquefaction trains being developed at Sabine Pass and Corpus Christi.

#### **Cheniere LNG Sales 9/15**

Cheniere announced that its wholly owned subsidiary, Cheniere Marketing has entered into another sales arrangement with EDF for the delivery of liquefied natural gas cargoes on an ex-ship basis from the Sabine Pass LNG terminal. According to Cheniere the sales arrangement covers the delivery of up to 24 cargoes, or up to approximately 89 million MMBtus total, from 2017 through 2018. Cheniere noted the sales price for the LNG cargoes is linked to the Dutch Title Transfer index, a natural gas pricing index in continental Europe. With this latest agreement, Cheniere Marketing has executed agreements for the sale of up to a total of 92 cargoes, or up to approximately 340 million MMBtus, to buyers in Europe and Asia through 2018.

Volumes will be sourced from Cheniere Marketing's LNG supply portfolio, which includes rights under a sale and purchase agreement with Sabine Pass Liquefaction, LLC to purchase any LNG produced from the Sabine Pass Liquefaction Project in excess of that required for other customers. Cheniere Marketing has a similar sale and purchase agreement with Corpus Christi Liquefaction for LNG produced from Cheniere's Corpus Christi liquefaction project. On a combined basis, Cheniere Marketing's LNG portfolio is expected to have approximately 9 million tonnes per annum of LNG available from Trains 1 through 6 of the Sabine Pass Liquefaction Project and Trains 1 through 3 of the Corpus Christi Liquefaction.

#### **Update on Cheniere 10/15**

It's a \$20 billion investment with far-reaching impacts. Calcasieu Parish Police Jury members got an update on the Sabine Pass LNG Project, which Cheniere Energy officials compare to the size of 30 Superdomes. In the next few months, officials from Cheniere Energy said export of natural gas is set to make it the single largest industrial project — from a cost standpoint — in the history of the U.S. Jason French, government and public affairs director with Cheniere Energy explained, "It is a project with significant regional, state, national and really international impacts." That's why, French said, although the project is in Cameron Parish, this update needs to be shared with those in Calcasieu. "In the last two days we've introduced gas into the facility, lit the pilot lights and very soon we'll be producing LNG. And the first cargo will depart for Asia, Europe, for destinations elsewhere in the world, of Louisiana natural gas, in January of 2016," he said. So far, French said they've spent almost \$7 billion on the ground, with construction just starting on trains five and six. "A train is just a gas producing unit that takes the gas and turns it into a liquid," explained French.

As of today, French said 4,600 people are employed there, once operational, 600 are expected to continue on full time, "So, it is a substantial project with over 17 million hours already worked." And while it's a large scale project, French also said benefits will be felt here in Lake Charles. "Business sales in the Lake Charles region are expected to expand by \$8.4 billion over the course of construction." Construction will continue through the year 2019-2020. And with all the Hurricane Rita look backs, officials said the facility is built on 60,000 piles, each 90 feet deep, to ensure it will withstand any future storms.

## **LNG Global; February 2016**

### ***Sabine Pass LNG Terminal***

Train 1 has begun producing LNG, and the first LNG commissioning cargo is expected to be exported late February / March. Commissioning for Train 2 is expected to start in the upcoming months. The remaining Trains are expected to commence commissioning on a staggered basis thereafter.

Trains 1 and 2 construction began in August 2012, and as of December 31, 2015, the overall project completion percentage for Trains 1 and 2 was approximately 97.4%, which is ahead of the contractual schedule. Based on the recently updated construction and commissioning schedule, Cheniere Partners expects to export the first LNG commissioning cargo in late February or March 2016.

Construction on Trains 3 and 4 began in May 2013, and as of December 31, 2015, the overall project completion percentage for Trains 3 and 4 was approximately 79.5%, which is ahead of the contractual schedule. Cheniere Partners expects Trains 3 and 4 to become operational in 2017.

Train 5 construction began in June 2015, and as of December 31, 2015, the overall project completion percentage for Train 5 was approximately 14.9%, which is ahead of the contractual schedule. Engineering, procurement and construction were approximately 41.9%, 20.5% and 0.1% complete, respectively. Cheniere Partners expects Train 5 to become operational in 2019.

Train 6 is currently under development, with all necessary regulatory approvals in place. Cheniere Partners expects to make a final investment decision and commence construction on Train 6 upon, among other things, entering into acceptable commercial arrangements and obtaining adequate financing.

## **Cheniere and ENGIE 10/15**

Cheniere Energy announced it has entered into a 5-year Sale and Purchase Agreement with ENGIE for the delivery of LNG cargoes on an ex-ship basis primarily to the Montoir de Bretagne LNG regasification terminal in France. The Sale and Purchase Agreement covers the delivery of up to 12 cargoes per year, or up to approximately 222 million MMBtus in total, from 2018 to 2023. According to a company statement Cheniere will sell the volumes at contract prices linked to Northern European indices. Pierre Chareyre, Executive Vice President in charge of the Global Gas and LNG business line said, ENGIE is committed to guarantee the supply of its European customers with clean and reliable energy. Importing US LNG will participate to strengthen the security of supply of Europe. Besides, in the context of the energy transition, natural gas is the perfect partner for renewables energies, since it is flexible and abundant".

On a combined basis, Cheniere Marketing's LNG portfolio is expected to have approximately 9 million tonnes per annum of LNG available from the nine liquefaction trains being developed at Sabine Pass and Corpus Christi. "This SPA with ENGIE furthers our strategy of supplying LNG to European markets and diversifies our marketing portfolio with sales tied to Northern European price indices. Deliveries are expected to be made to the Montoir de Bretagne LNG terminal or to

alternative delivery points as determined by our customer," said Charif Souki, Chairman and CEO of Cheniere. Cheniere is currently developing a liquefaction project at the Sabine Pass LNG for up to six Trains, each of which is expected to have a nominal production capacity of approximately 4.5 mtpa of LNG. Construction has begun on Trains 1 through 5 of the Sabine Pass Liquefaction Project. Cheniere is also developing liquefaction facilities near Corpus Christi, Texas. The Corpus Christi Project is being designed for up to five Trains, with expected aggregate nominal production capacity of approximately 22.5 mtpa of LNG, four LNG storage tanks with capacity of approximately 13.5 Bcfe and two LNG carrier docks.

#### **Cheniere Update 10/15**

Houston-based Cheniere said that overall construction on its Sabine pass liquefaction and export project is slightly behind schedule. *"Overall, Train 1 and 2 project progress is 96.1% complete against a plan of 98.2%. Train 3 and 4 project progress is 76.7% complete against a plan of 81.8%,"* Cheniere said in the October report filed with the U.S. FERC. However, Cheniere said that the current project progress supports the planned completion for Trains 1 and 2 by March and June in 2016, respectively. Trains 3 and 4 targeted substantial completion dates are April and August 2017. Cheniere is building liquefaction and export facilities at its existing import terminal located along the Sabine Pass River on the border between Texas and Louisiana. The Sabine Pass facility is expected to start receiving feed gas by the end of the year with the first cargo to be shipped in January 2016.

#### **Cheniere Energy Partners LP and Bechtel achieve completion of Train 1 7/16**

Cheniere Energy Partners LP (NYSEMKT:CQP) and Bechtel announced that they achieved Substantial Completion of Train 1 of the Sabine Pass liquefaction project in Cameron Parish, Louisiana (the "SPL Project"). *"Today, together with our EPC contractor Bechtel, we announce that Train 1 of the SPL Project has achieved Substantial Completion, and we are taking care, custody, and control of Train 1 months ahead of the guaranteed completion date and on budget,"* said Jack Fusco, CEO of Cheniere Partners.

### **COMMONWEALTH (WALLER POINT MARINE) LNG TERMINAL 3/13**

**Calcasieu Ship Channel Cameron** - Liquefied natural gas has sparked strong interest as a marine fuel because of the abundance of natural gas, relatively low price and attractive environmental performance. One challenge is the ready availability of liquefied natural gas (LNG). Houston-based Waller Marine, Inc., however, is working towards a solution. Through its LNG development subsidiaries, Waller Energy Holdings, LLC and Waller LNG Services, LLC, it is developing a natural gas liquefaction (LNG) facility on a 175-acre site the at the entrance point of the Calcasieu Ship Channel in Cameron Parish in Southwest Louisiana. It is the first of seven planned small-scale LNG terminals that will be cited around the U.S. coast. The project is estimated at \$400 million with construction end date of January 2015 providing 300 construction jobs and 100 to 200 permanent jobs to the area as stated by Clair Hebert Marceaux in June 2015. Using small-scale liquefaction technology, Waller Marine plans to install nominal 500,000 gallon per day LNG trains in phases as the market and demand for marine LNG fuels inevitably expands. The first trains are planned for the Waller Point LNG terminal in Cameron Parish, and additional trains are planned for a second terminal that it is developing through its subsidiary Waller Energy Partners, LLC, at a site to be secured on the Mississippi River in the first quarter of 2013.

#### **About Waller Marine**

With the looming regulatory requirement for vessel's to comply with new Emission Control Area (ECA) emission control regulations when operating in the territorial waters of the United States, the Waller Marine's focus is to supply LNG to the marine fuels market. To enable the supply and distribution of LNG to and from small scale LNG terminals and for bunkering LNG as a marine fuel, Waller has also conceived and designed a series of small LNG vessels ranging from its 2,000 to 10,000 cubic meter capacity river transport and bunker barges and its 10,000 to 30,000 cubic meter coastwise ATB LNG vessels.



Waller Marine says with strategically located LNG supply facilities, a distribution of the fuel by Waller barges to small-scale LNG storage terminals combined with ship fueling with Waller LNG bunker barges at anchorages, ports and terminals throughout the U.S., vessel owners will have access to competitively priced LNG. Waller anticipates that substantial savings can be achieved by vessel owners using LNG fuels with payback for conversion costs being as short as six months. Waller has also initiated a vessel conversion strategy and is working with partners on providing funding for the conversion of ships to be fueled by LNG. Working with engine manufacturers and equipment suppliers, Waller is engineering shipboard LNG fuel storage and supply systems for vessels having a range of horsepower. They are also developing pre-manufactured systems to reduce or eliminate downtime during conversion.

### **DELFIN FLOATING LNG 3/16**

**Offshore Cameron** - The estimated total investment for the Delfin LNG deepwater port project is close to \$7.0 Billion. New employment opportunities include up to 200 workers to construct the onshore compression facility and pipeline connections, and to manufacture key project components in nearby Louisiana, and each FLNGV will need to be manned by 50-100 mariners, crew, engineers, and operators. Delfin looks forward to providing these additional employment opportunities in the United States. Check out their website: <http://www.delfinlng.com/>

### **Delfin Update 7/16**

Delfin LNG LLC, a wholly owned subsidiary of Fairwood Peninsula Energy Corp. (FPE), Houston, has completed a draft environmental impact statement (EIS) for its planned Delfin LNG Deepwater Port (Port Delfin) and floating LNG (FLNG) facility to be located offshore Louisiana in the Gulf of Mexico. Published on July 15, the draft EIS completes a major step in the development of the LNG export project, FPE said. To be located about 50 miles offshore Cameron Parish, La., Port Delfin will consist of onshore gas compression facilities and a deepwater port that uses existing pipeline infrastructure in the Gulf of Mexico to transport natural gas offshore to four moored FLNG vessels equipped to export up to 12 million tonnes/year of LNG. In the event of a hurricane, the FLNG vessels would be capable of disconnecting from the port facility to move to protected waters, according to the company. If approved, the project will be the first US offshore FLNG facility. Alongside its earlier submission of an application to the US Maritime Administration (MARAD) and US Coast Guard (USGC) for authorization to construct, own, and operate the deepwater port, Delfin LNG also let a contract to Bechtel Corp. to perform front-end engineering and design (FEED) for one of the project's FLNG vessels, according to an Aug. 4, 2015, release from the service company. In addition to FEED, Bechtel said it expects to design, build, and commission the FLNGV once Delfin LNG reaches final investment decision on the project. Delfin LNG also has signed joint development agreements for the project with Hoegh LNG Ltd. and Enbridge Inc., according to Delfin LNG's website. Contact Robert Brelsford at [rbrelsford@ogionline.com](mailto:rbrelsford@ogionline.com).

### **G2 10/15**

**Cameron** – Executives with G2 LNG, LLC, a Louisiana-based company, announced the development of a new \$11 billion liquefied natural gas (LNG) export project on the Calcasieu River Ship Channel in Cameron Parish, Louisiana. The proposed project, capable of exporting 14 million metric tonnes per annum (MTPA) of LNG to the global market, will include two liquefaction trains. It is the fourth largest capital investment in the history of the state.

“The G2 LNG project has several unique advantages that have led to advanced discussions with potential customers in Asia, Europe, India and the Caribbean,” said former Gov. Charles E. “Buddy” Roemer, G2 LNG Chairman. “We plan to use advanced technologies in the design and operation of the facility. In addition, we will use upstream supply of natural gas both of which will provide a long-term, stable, low cost supply of natural gas to global customers.” The project is expected to create 3,500 construction jobs and

more than 250 permanent jobs averaging over \$85,000 per year. G2 LNG is working with regional and parish officials to identify, train and support local Louisiana vendors.

“G2 LNG is a Louisiana-owned company and is dedicated to continue hiring Louisiana people to build and operate this facility. Our people have a long history and knowledge of the energy industry in this state, and we will use that know-how to make this project a great success,” said Roemer.

G2 LNG filed applications in March 2015 with the U. S. Department of Energy (DOE) to export to Free Trade Agreement (FTA) and Non-Free Trade Agreement (NFTA) countries. In July, G2 LNG was granted its license to export to FTA countries. A decision from DOE on the NFTA application is expected in 2017. The company expects to begin the Federal Energy Regulatory Commission (FERC) pre-filing process within the next 30 days. Once all FERC approvals and DOE licenses are granted, construction of the facility can begin. G2 LNG is expecting construction to commence mid-2017 with the facility coming online for delivery in 2020.

“The Calcasieu River Ship Channel and Cameron Parish is the ideal location for this project,” said Thomas Hudson, G2 LNG President. “We are three miles from the Gulf of Mexico on a 42-foot deep channel. Extensive interstate and intrastate natural gas pipeline systems traverse Cameron Parish, giving us access to both conventional and unconventional shale gas on a firm or spot price basis. And, we are thankful to have the unwavering support of local, state and business officials.” For more information about G2 LNG, LLC, please visit [www.g2lngllc.com](http://www.g2lngllc.com).

### **HACKBERRY HOTEL 8/16**

A groundbreaking ceremony took place for a much-needed hotel in Hackberry. The MainStay Suites Hackberry Sportsmen's Lodge will be located at 700 Main Street in Hackberry. "We felt there was a need for a hotel in this environment," said Kevin Ashy, one of the owners of the SLA Hotel & Restaurant Group that's building the hotel. "When you come down to Cameron Parish there is no place for the outdoorsmen (to stay) in this geographical area." Ashy said market research led the group to build the hotel. "For somebody to come down who hunts, fish, spectate, bird watch, work at a turnaround or work at a project going on down here, they have to go all the way back to Calcasieu Parish to stay," he said.

Sandra Ford works at Brown's Food Center near where the new hotel will be located, and she thinks this is a great thing for the store and for Hackberry. "I think it's exciting; I think it's a good thing for the community - Hackberry is a different place," said Ford. "It's a friendly place and lots of people come actually from all over the country, and some come and they have to go back to Sulphur to spend the night, but the hotel will provide rooms for them when they come down so that will bring more people to the community." Store owner Jim Brown is also excited about the hotel and think it will really help the community. "I think many jobs will come off of that too for the local people, and if the dollars are spent in Cameron Parish then, they will stay here," he said.

Ashy believes this hotel will be successful and already has plans on expanding. "We have plans to extend this product if we are successful, which we believe we will be," said Ashy. "So basically we're going into a process that is easily expandable with management, as well as something that's easy to grow into the next level." Ashy said that as soon as the parish gives the OK, they can go ahead and start building this hotel. If weather permits, Ashy said the hotel should be up and running by February. The next phase of this project would be to add a restaurant.

### **PORT CAMERON 5/16**

Port Cameron LLC plans to begin construction in November on a \$1.5 billion deep water staging port in Cameron, with Fortune 500 real estate services firm JLL leading leasing efforts for the facility. The Illinois-based commercial real estate services firm Jones Lang LaSalle Inc. will be the leasing partner at the new port

complex. The first phase of construction will be on 500 acres on the Calcasieu Ship Channel, with 750 more acres available for future expansion. The first phase is scheduled to be complete by the third quarter of 2017.

“Port Cameron presents Gulf energy producers, supply and service companies a tremendous opportunity to position their business in a premier deep water oil and gas port centrally located to conveniently serve offshore installations in the Gulf of Mexico,” Director of Operations Ted Falgout said in a news release from JLL. JLL Houston will lead the leasing efforts. The Houston team is led by Executive Vice President Mark Nicholas, Senior Vice Presidents John Talhelm and Richard Quarles, and associate Joe Berwick. “Land availability along the Houston Ship Channel is practically nonexistent,” Talhelm said in a news release. “Because of this, Houston’s E&P (exploration and production) operators, engineering firms, oil and gas service companies, and third-party logistics firms are looking eastward to find port sites that meet the requirements of their operations and provide convenient access to offshore platforms in the Gulf of Mexico.” An economic impact study by Baton Rouge-based economic consulting firm Loren Scott Associates says when fully leased, the port will generate about \$2.8 billion in sales and 10,000 jobs for Louisiana. The four-year construction phase for the new facility will generate close to \$9.5 billion in new sales for firms in the Lake Charles area and more than 16,000 jobs a year. Construction is expected to begin in November. The port will be on the Calcasieu Ship Channel, 50 miles or so south of Interstate 10.

#### **Port Cameron Update 7/16**

Port Cameron, new private deep water, state-of-the-art staging port complex, is posed to be a major commercial center only three miles from the Gulf of Mexico and 19 miles from the Intracoastal Canal, in Cameron Parish, Louisiana. Currently under construction, the port complex, located on the Calcasieu Ship Channel, 185 miles east of Houston and just south of Lake Charles, will encompass 500 acres, with an additional 750 acres available for expansion in the future. The port, which, upon completion, will be home to the largest private energy services facility on the Gulf Coast, will also have more than 21,000 linear feet of bulkhead lots on dredged slips of 500 and 700-foot widths, and dredged depths of 33 feet. Construction on the \$1.5 billion project, which will have first-rate emergency response readiness and capabilities on site, is set to commence in November. According to company officials, because of its strategic proximity to current and future shelf and deep water offshore oil and gas exploration, it will help serve the growing needs of energy development in the Gulf of Mexico and help reduce operational costs and risk.

#### **Monkey Island LNG (Formerly SCT&E LNG) 5/14**

**Monkey Island** – Cameron Parish is the site chosen by SCT&E to develop a \$2.4 billion natural gas liquefaction facility. Southern California Telephone and Energy said one of its subsidiaries has acquired 232 acres on Monkey Island. SCT&E LNG plans four LNG production units, each capable of producing 1.1 million tons of LNG per year. The Monkey Island site provides deep water access needed to accommodate large vessels that carry LNG overseas; proximity to the Gulf of Mexico; 3,500 feet of space fronting the Calcasieu River; and 4,000 feet of frontage on the Calcasieu Pass/Cameron Loop on the northern end of the property. The area is home to one of the biggest natural gas transportation networks in North America and adjacent to several major interstate and intrastate natural gas pipelines.

#### **Update 7/14**

Executives from Southern California Telephone & Energy are wasting no time in getting their LNG plant proposal for Monkey Island before federal officials. SCT&E’s chairman and CEO told the American Press that the company has applied for its non-free trade agreement export permit with the U.S. Department of Energy. SCT&E’s permit would allow it to export LNG from its proposed facility on Monkey Island to countries such as Japan, India, Taiwan and the European nations. The non-FTA permit opens up countries all over the world. I’m getting calls from Europe. SCT&E’s non-FTA permit application to the DOE was filed just two weeks after it resubmitted its application to the department for an FTA permit. If approved, SCT&E’s permits will allow the company to

export up to 12 million metric tons of LNG per year from a plant on Monkey Island in Cameron Parish.

Initially, SCT&E's plant was to consist of four trains, each of which would produce an annual total of 2 million metric tons of LNG. Earlier this month, however, SCT&E executives decided to expand their plant's facility from four trains to six to meet the growing global demand for LNG, especially in the European and Asian markets. SCT&E's decision to triple the size of its export capacity prompted company executives to resubmit a revised FTA permit application, which would allow the company to export the full 12 million metric tons on an annual basis. In May, SCT&E announced it had acquired more than 230 acres on the man-made island to build its \$2.4 billion LNG plant. DOE officials are looking at procedural changes to its non-FTA export permitting process. Among the department's proposed changes is to no longer process applications based on when the department receives them. The change would help SCT&E's application because the company is moving ahead with its proposal.

#### **Update 8/14**

In July 2014, SCT&E LNG withdrew its application for the original 4 mtpa and simultaneously submitted a new application for 12 mtpa to the DOE. In addition, SCT&E LNG will seek authorization to export 12 mtpa of LNG to non-FTA countries such as Japan and China.

As documented by the company's Founder and CEO, SCT&E LNG capital investment numbers have increased to **\$9.25 billion** with 2,000 construction jobs (24 to 30 months out), 200 permanent jobs (36 months out), 310 indirect jobs, 303 induced jobs, and 16,500 to 22,000 supported jobs nationally and operational sometime between 2017 and 2018. Located on Monkey Island, the SCT&E LNG site is at the heart of one of the most robust natural gas transportation networks in North America.

#### **Update 9/15**

Southern California Telephone and Energy LNG officials signed another nonbinding memorandum of understanding to sell liquefied natural gas from its plant to be built on Monkey Island in Cameron Parish. SCT&E LNG chairman said the multibillion dollar MOU was signed with an unnamed South American entity for 700,000 tons each year for a 20-year fixed price, and a 20-year fixed price MOU with an Asia-based utility company for 1 million tons annually. SCT&E plans to sell up to 4 million tons per year at the fixed price over 20 years and is expected to produce up to 12 million tons of LNG a year. The fixed-price option provides 'a set stable return on investment' with the fluctuating price of oil and natural gas. There will likely be two years of permitting and another two to three years of construction before the first set of LNG can be delivered globally with the plant operating by 2021. The plant is expected to be built on 230 acres of Monkey Island. In December, the Department of Energy gave SCT&E the authority to export 12 million tons per year of LNG to countries the U.S. with which we have free trade agreements.

#### **Monkey Island LNG (SCT&E) reaches agreement with Technip 7/16**

The design of Southern California Telephone and Energy LNG's multibillion-dollar liquefied natural gas export terminal in Cameron Parish will be spearheaded by project management company Technip. Technip was awarded a master services agreement, which will allow the company to execute engineering services vital to the project, including front-end engineering design, and support the Federal Energy Regulatory Commission process. Technip Chief Operating Officer Harvey Vigneault said the award extends the list of Gulf Coast projects the company has been involved with, and that experience will help put SCT&E's Monkey Island project "in the best position moving forward."

Awarding the agreement is another milestone in the \$6.9 billion project's progression, according to SCT&E officials. By April, the company had signed four offtake memorandums of understanding for

the sale of LNG from the facility. The agreements pushed the company's offtake total to 4.7 million tons per year. In May, SCT&E entered into another offtake agreement with China-based gas distributor JOVO Group. Company officials described the deal as being the "first of its kind between a U.S. LNG developer and a private Chinese LNG terminal owner." SCT&E Chairman Greg Michaels said the agreement would allow the company to meet the growing demand for clean-burning energy in southern China, especially the Guangdong Province. "This strategic relationship was built over an extended period of time, both on a business and personal level. We have had meetings together in both the United States and China and outside of each party's respective countries," Michaels said in an email. "Since the beginning of the relationship, regular video teleconferences and phone calls were important in advancing the understanding of the companies and thus a solid relationship was built."

SCT&E officials have described Louisiana as being a prime location for the billion-dollar terminal because more than half of the natural gas resources in the country are either consumed in or flow through the Gulf Coast onshore region. The terminal received a 30-year authorization in 2014 from the Department of Energy for the export of roughly 1.6 billion cubic feet per day of natural gas, or 12 million tons per year of domestically produced LNG, to countries with free-trade agreements with the U.S.

### **VENTURE GLOBAL LNG (VG Calcasieu Pass) 12/14**

**Calcasieu Ship Channel Cameron** - Venture Global LNG is proposing to build, operate and maintain a LNG export plant, VG Calcasieu Pass, on 203 acres at the mouth of the Calcasieu Ship Channel where it meets the Gulf of Mexico. The estimated \$4.25 billion facility will have the capacity to export up to 10 million metric tons of LNG each year. The plant will also accommodate ocean-going vessels with an LNG carrying capacity of up to 185,000 cubic meters and included on the project site will be two full containment LNG storage units. At peak construction, the project will employ approximately 1500 workers and 326 indirect jobs. Expected long-term, direct jobs created by the project will be approximately 130 jobs with annual salaries of \$70,000. The timeline for the project includes the regulatory and government filing process and securing commercial agreements through the year 2016, with operations beginning in late 2019.

Venture Global's website states that in September 2013 the company received authorization from the U.S. Department of Energy to export up to 10 million metric tons of LNG annually to Free Trade Agreement countries over a 25-year period. The company has also applied for DOE's non-FTA export license, which will allow the company to ship LNG to countries such as Japan, India, Taiwan and the European nations. Their website also states that the company submitted its pre-filing request in October with the Federal Energy Regulatory Commission for the VG Calcasieu Pass project. FERC officials accepted Venture Global's pre-filing request on Oct. 10. FERC's pre-filing process begins the commission's review of an LNG project and its adherence with the National Environmental Policy Act.

#### **About Venture Global LNG**

Venture Global LNG, a Washington D.C. company, plans to be a long-term, low-cost producer of LNG, capitalizing on low-cost natural gas production in the United States. Venture Global LNG's strategy utilizes a highly efficient, mid-scale LNG liquefaction technology in a base-load configuration. Venture Global LNG intends to develop, own and operate additional LNG liquefaction and export facilities in the future. More can be found at [www.ventureglobalng.com](http://www.ventureglobalng.com)

#### **Venture Global Update 9/15**

Venture Global LNG announced that its subsidiaries Venture Global Calcasieu Pass, LLC and TransCameron Pipeline, LLC have submitted their joint application to the U.S. Federal Energy Regulatory Commission requesting authorization to build a proposed LNG terminal and pipeline system in Cameron Parish, Louisiana. In addition to the FERC application, Calcasieu Pass and

TransCameron Pipeline have recently submitted final permit applications and final studies to the U.S. Coast Guard, U.S. Army Corps of Engineers, Louisiana Department of Natural Resource and Louisiana Department of Environmental Quality. "Our final application submittal to FERC and the other federal and state agencies marks a significant milestone in our company's development and brings us closer to our goal of delivering LNG to global buyers beginning in 2019," said Venture Global Co-CEO Robert Pender.

Calcasieu Pass is located on a 506-acre site near where the Calcasieu Ship Channel meets the Gulf of Mexico. The proposed facilities will include two ship-loading berths for LNG vessels, two full-containment LNG storage tanks and an on-site combined cycle gas turbine power plant. Scheduled to begin construction in late 2016 and achieve full operations in late 2019, Calcasieu Pass will have a nameplate capacity of 10.0 million metric tonnes per annum of LNG according to a Venture Global LNG statement. "We are dedicated to becoming one of the lowest-cost providers of LNG in the world, and today's announcement represents yet another significant step in that direction," said Venture Global Co-CEO Michael Sabel. "This is an exciting time for both Venture Global and our global LNG customers."

#### **Shell to purchase LNG from Venture Global's \$4.25 bn Calcasieu Pass facility 2/16**

Venture Global Calcasieu Pass has signed an agreement to supply one million tonnes per annum (MTPA) of liquefied natural gas (LNG) to Shell from its \$4.25bn Calcasieu Pass facility being developed in Louisiana, U.S. The Venture Global Calcasieu Pass facility has a design capacity of 10MTPA of LNG and is being developed on an approximately 1,000-acre site located at the intersection of the Calcasieu Ship Channel and the Gulf of Mexico. The agreement with Venture Global's subsidiary is for a period of 20 years and would commence from the date the facility begins operations. "Venture Global LNG considers the Shell 20-year SPA to be an important milestone for the company." Shell, which can also extend the term of the agreement, will purchase LNG on a free on board basis.

Venture Global co-CEOs Mike Sabel and Bob Pender jointly announced: "Venture Global LNG considers the Shell 20-year SPA to be an important milestone for the company. "We are delighted that we continue to achieve our promised milestones as we implement our strategy to become the lowest cost producer of LNG in the world." Calcasieu Pass will house two ship-loading berths for LNG vessels, two full-containment LNG storage tanks as well as an on-site combined cycle gas turbine power plant. Construction on the facility is scheduled to begin in late 2016 with full operations expected in late 2019. Venture Global is also constructing the Venture Global Plaquemines LNG facility in Plaquemines Parish, Louisiana which will have a capacity of 20MTPA. The site is being developed on a 630-acre site at river mile marker 55 on the Mississippi River about 30 miles south of New Orleans, Louisiana.

### **-JEFFERSON DAVIS PARISH-**

#### **JEFFERSON DAVIS JAIL 4/14**

**Jennings Area** - While \$10 million of state funding has already been secured for land purchase and construction, funds are still needed to maintain and operate the Jeff Davis Parish Jail before construction can begin. An agreement has been signed with Earl B. Evans Estate to sell 17.02 acres of land. The property is located just west of the Highway 90 overpass in Jennings. Officials say they chose the site because of its proximity to the courthouse and the selling price. The sales price is \$272,320 which works out to roughly \$16,000 per acre, but the parish will only pay the appraised value—which could be less. The police jury decided an attempt to go out to the people for a 10-year half-cent sales tax proposal was in order.

#### **Jefferson Davis Jail Update 5/14**

A new jail in Jeff Davis Parish gets the green light to move forward. Residents voted in favor of a half cents sales tax 72 percent to 28 percent. The parish already has \$10 million in state funding to build the facility. Parish officials said a new and larger jail has been long overdue. The current jail faces overcrowding issues and structural damage. With the new jail, the parish will go from housing about 65 inmates to a 200 hundred bed facility. The parish already has \$1.8 million on hand to get the project started. Now that the voters have pushed through the sales tax for jail maintenance, the next step is to move forward with construction. The parish has to comply with state requirements which include appraising the land and completing an environmental study. The parish said it hopes to close on the property and secure the title within 150 days. It is in an industrial area so there are no private residences nearby.

#### **Jail completion by January 2018 2/17**

**Jennings** - The new \$9.4 million Jeff Davis Parish regional jail is expected to be completed by January 2018. The 31,000-square-foot facility will house 200 inmates, compared with 62 in the current jail.

The project was expected to take 18 months to complete. Thirty-one days have been added to the contract due to rain delays and additional dirt work. The permits required by the state Department of Transportation and Development for a driveway and entrance road and a water line crossing U.S. 90 have been approved. The contractor has completed the water line and has tied it in with the city's water system. Most of the work on a sewer main, including three manholes, is about 90 percent complete. Work is expected to begin next month on the driveway and parking lots. Current work on the 17.5-acre site off U.S. 90 includes the steel building and foundation. Preparation has begun for roof work and installation, which is expected to take about 30 days. Interior wall work is slated to begin soon, and that will allow interior work to move forward. Prefabricated modular cell units are expected to be delivered by March 1, and plans are underway to set a delivery date for generators.

Parish officials worked together to secure \$10 million from the state's capital outlay program to buy land and build the jail with no matching funds required. Voters approved a half-cent sales tax in 2014 to fund maintenance and operation of the jail. The tax will generate \$2.1 million a year. A 2012 feasibility study conducted by McNeese State University found that a new jail was needed to replace the 1963 jail, which is overcrowded, requires costly repairs and is located above the courtroom.

#### **SOWELA – JENNINGS CAMPUS ADDITION**

**Jennings Area** – Ten acres of land adjacent to Jennings High School has been purchased through the Jeff Davis Land Commission for the future home of Sowela's \$10 million Jeff Davis instructional site. The land was purchased for \$400,000 and given to the state of Louisiana for the 35,000-square-foot building.

***SPECIAL ADDITION: Vernon Parish borders Beauregard and Allen Parishes and greatly contributes to the economic impact of the Southwest Louisiana region. This special report is included for informational purposes only.***

#### **-VERNON PARISH-**

##### **FORT POLK PROGRESS 6/13**

**Leesville** - Fort Polk Progress attributed the Army's announcement that the Joint Readiness Training Center and Fort Polk is not among the installations affected by the Army's reduction of its active component brigade combat teams (BCTs) to strong community support and the leadership of communities from across the

region. The 4th Brigade Combat Team, 10th Mountain Division remains at Fort Polk, according to a press release by Fort Polk's Public Affairs office. The Army is inactivating and reorganizing BCTs at other installations nationwide and in Europe as well as reducing and reorganizing numerous non-BCT units - many commonly referred to as BCT enablers - as part of the end strength reduction. Fort Polk Progress marshaled its resources and supporters from across the state to address faulty information concerning Fort Polk that could have been used in the Army's decision-making process and ensured that the Army used the most accurate, up to date information in making any decisions concerning the military base.

### **Fort Polk Update 2/15**

Fort Polk is one of 30 bases nationwide on the chopping block for troop reductions. The U.S. Department of Army is proposing a cut of 6,500 troops at Fort Polk. While their decision won't be announced until early summer, they will be visiting Fort Polk March 3. Both Leesville Mayor Rick Allen and DeRidder Mayor Ron Roberts say the reduction would negatively impact the economy. "The majority of the troops at Fort Polk choose to live off-post... Fort Polk inserts about \$26 billion into the state's economy," said Mayor Allen. Mayor Roberts added, "Fort Polk is a community of 30,000 but the economic engine and really the educational engine that drives the Fort Polk community is outside Fort Polk. It's in DeRidder and it's in Leesville." It's why they're encouraging their communities to voice support for the troops March 3. "We are approaching the March 3 listening session which is the last step in the process of the army gathering all of the information to help them make the decisions about where to make the cuts," said Tammy Sharp, public relations consultant for Fort Polk Progress. Sharp says the last time they faced cuts, in 2013, the community's support helped prevent reductions.

### **Update 6/15**

WASHINGTON, D.C. — Fort Polk Progress has been honored with the 2015 Community Excellence Award from the Association of Defense Communities (ADC) for its successful collaboration with local, state and federal partners in support of the educational community at Fort Polk. Michael Reese, chairman of Fort Polk Progress, accepted the award June 24 at a special Congressional Breakfast on Capitol Hill during the 2015 Defense Communities National Summit hosted by ADC. The ceremony was attended by members of Congress and leaders from the Pentagon.

"Since it was formed in 2006, Fort Polk Progress has been dedicated to bringing together partners from throughout Louisiana to focus on making Fort Polk a 'Station of Choice' for soldiers and families. We recognize that the quality of education provided by the schools that surround Fort Polk is vitally important to soldiers, families and Army leadership," said Reese. "Our Education Initiative represents a tremendous amount of collaboration between base families, base leadership, state Department of Education, local school districts, higher education institutions, the business community and education experts, all focused on a plan for constant improvement, assessment and communication."

ADC ([www.defensecommunities.org](http://www.defensecommunities.org)) is the nation's leading association representing U.S. communities and states with a significant military presence and their partner organizations. It unites the diverse interests of communities, states, the private sector and the military on issues such as protecting defense infrastructure, community-military partnerships, defense real estate, mission growth, base redevelopment, and support for military families and veterans.

When moving to a new locale, military families often ask about the state of the schools in their new communities. They're not alone. Army Chief of Staff Gen. Raymond Odierno called for an evaluation of all schools near Army installations in October 2013 and warned governors and legislators publicly that school performance will factor into decisions regarding the Army's "future force structure."



How one defense community is addressing this issue is most noteworthy. Fort Polk Progress, a regional community organization that supports Fort Polk's continued presence in Vernon Parish took up the gauntlet Odierno had thrown down by forming, leading and integrating a broad and ambitious Education Initiative. Fort Polk Progress used its experience in collaborating with local, state and federal partners to acquire funding for the initiative and to bring its many partners into the fold. This partnership is composed of the Joint Readiness Training Center at Fort Polk, the Vernon Parish School District, Fort Polk Progress and a variety of state agencies, educational institutions and businesses.

Its goals are to improve school performance and inform parents about the state's core educational standards and about how parents can support their children's academic achievement. The partners also decided to benchmark their progress by comparing Vernon Parish schools' academic performance with that of the national average and of schools that support other Army installations. The Education Initiative began this process by bringing local residents and education experts together to identify the school system's strengths and challenges. The partners then held an education symposium at Fort Polk's Bayou Theater to discuss the challenges and identify goals and the steps to help achieve those goals. The symposium attracted about 700 educators, soldiers and family members, as well as the director of Family and Morale, Welfare & Recreation for the Army's Installation Management Command (IMCOM), representing the chief of staff.

Education Initiative partners provided funding for near-term projects and to meet priorities parents had proposed during the symposium. These included holding summer enrichment camps, improving communication between schools and parents, hosting a Back-to-School Resource Fair and establishing committees of parents, teachers, higher education partners and local business representatives to finalize the initiative's strategic plan, which was presented to the Vernon Parish School Board in May. Fort Polk Progress planned for long-term follow-through by establishing a governance board to monitor the plan's implementation and assess its effectiveness.

The initiative already has yielded some notable results. Odierno himself visited Fort Polk last April and praised the installation for the progress it had made in its stated goal of moving Fort Polk area schools "from good to great."

#### **Update 7/15**

WASHINGTON, D.C. – Fort Polk in Louisiana will be losing 388 troops, representing a 4.8 percent reduction, the Army confirmed Thursday. The cuts are part of a draw down nationally of 40,000 troops, the Pentagon said. While Louisiana lawmakers criticized the cuts at Fort Polk, the reduction was less than some officials had feared. Some had projected a loss of 650 troops or more at the base, located west of Alexandria.

"While I'd rather not see any drawdown of our troops, this is ultimately positive news – Fort Polk was saved from significantly greater cuts," said Sen. David Vitter, R-La. "We need to remain vigilant against attempts to reduce our force structure at the expense of our national security, and making sure that our troops at Fort Polk have the support they need will remain among my top priorities."

Vitter and others said a key to keep troop levels at Fort Polk stable was keeping the 3rd BCT (Brigade Combat Team), 10th Mountain Division, which was reflagged from the 4/10 in February. The unit has about 3,000 active duty troops. According to the Defense Department, Fort Polk, which currently has 8,128 troops, will drop to 7,740 by 2017. Overall, the Army is dropping troop levels from 490,000 to 450,000.

"While I am opposed to the drawdown, the good news is the battalion is staying," said Rep. Ralph Abraham, R-Alto. "This is the result of thousands of community members working very hard to protect their base. We must continue to stand up for Fort Polk going into the future."

Other bases had more substantial cuts, according to information compiled by Vitter's office: Fort Hood in Texas, losing 3,350 soldiers; Fort Benning in Georgia, 3,400; Joint Base Elmendorf-Richardson in Alaska, 2,600; Joint Base Lewis-McChord in Washington State, 1,250; Fort Bliss in Texas, 1,219 troops and Ford Drum in New York, 1,000.

"While Fort Polk will be losing almost 400 soldiers, the cuts could have been in the thousands, mirroring the impact to other bases around the country," said Rep. John Fleming, R-Minden. "The support from Louisiana's local communities along with state and federal officials no doubt played a significant role convincing Army leaders of the value of Fort Polk."

Said Rep. Garret Graves, R-Baton Rouge: "The Army is getting smaller, which I do not support. But Fort Polk's survival will result in superior combat readiness and operational efficiency, which is absolutely our desired national security outcome. And the entire Central Louisiana community should be commended for their efforts to support Fort Polk and the US Army."

Rep. Charles Boustany, R-Lafayette, expressed disappointment at the cuts. "However, it is a testament to the strong grassroots support for the Post that Fort Polk was spared from much deeper cuts. As other states experience troop reductions in the thousands, Fort Polk's Brigade Combat Team and Joint Readiness Training Center will remain intact – an important victory for Louisiana," Boustany said.

U.S. Sen. Bill Cassidy, R-La., also noted the cuts were not as severe as feared. "Fort Polk has been spared the deep cuts other bases received," Cassidy said. "The positions lost are part of the Fort Polk family. We regret this loss but recognize it could have been worse. We celebrate that the Brigade Combat Team remains intact and there's every indication Fort Polk will continue to be recognized as the important training center it is, preparing our troops to defend our country."

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## **An Excerpt of the Louisiana Economic Outlook: 2017 and 2018**

**Prepared by: Dr. Loren Scott, Professor Emeritus in Economics – September 2016**

**Published by: Economic Development Division, E. J. Ourso College of Business, Louisiana State University, Baton Rouge, LA**

### *Executive Summary Notes for Lake Charles, MSA (Calcasieu & Cameron Parishes)*

The **Lake Charles MSA** remains the hottest area of the state. This region has a remarkable \$45.4 billion in industrial projects under construction and an equally remarkable \$51.0 billion at the FEED and permitting stage. A huge boom in industrial construction workers will drive this region's employment up by 3,800 jobs (+3.6%) in 2017, before slowing to a still-respectable +2,200 jobs in 2018. In percentage terms, this will make Lake Charles the fastest growing region of the state by a wide margin. This MSA's growth rate could become much larger if the projects at the FEED stage move to construction.

### **2014-15: The Real Boom Begins**

As Lake Charles entered 2014, we began to see the first evidence of a massive boom in this corner of the state unlike any we have ever seen before. Specifically:

- In 2014 employment in the Lake Charles MSA set a regional record for the first time since 2008.

- In 2015, employment passed the 100,000 mark for the first time in the MSA's history and it passed Houma to become the fourth largest MSA in the state.
- Lake Charles has now been the fastest growing MSA in the state for three straight years, adding 12,500 jobs and expanding by more than 4.5% a year. In 40 years of monitoring the Louisiana economy we have never seen back-to-back job performances like that in any MSA in the state.

What was the source of this remarkable performance? By mid-year 2016 we had tabulated almost **\$96.4 billion in announced industrial projects** for the MSA since 2012. We have been monitoring the state's economy for four decades; this figure exceeds the best year of announcements for the whole state by a factor of a least 10.

Of this total, we estimate that **\$45.4 billion of these projects are already underway or completed**, and approximately \$51 billion are at the financing, permitting or FEED stage (that is, they are still "potential" projects). This means that if these projects go vertical, Lake Charles will see record setting growth well into 2018. Our projections for this region are based on the very conservative assumption that few of these projects will go forward. If just one or two break ground, our forecast for 2018 will be too conservative by far.

Forecast for 2015-16: Will the Boom Tail Off in 2017?

**We are expecting Lake Charles to add 3,800 jobs in 2017 (+3.8%), with the growth rate dropping slightly in 2018 to 2,200 jobs (+2%) --- a total growth rate of 5.8% over two years.** No other MSA in the state is expected to come close to this growth rate. Baton Rouge comes in second with a 2.2% growth rate. Lake Charles' growth rate is expected to be nine times greater than the state as a whole (0.6%) over that same time period. The slower growth rate in 2018 is based on some of the projects underway beginning to tail off as completion nears. However, our forecast for 2018 assumes almost none of the projects at the FEED stage will go forward to construction. This is a very conservative position and one that could make the 2018 projection far too conservative.

**Permanent Indirect Jobs:** The indirect impact is the value of inputs purchased in subsequent rounds of spending by the supporting industries. So the indirect jobs result from the supporting industries related to each project.

**Permanent Induced Jobs:** The induced impact (this impact is often called the household-spending effect) is the value of goods and services purchased by all workers whose earnings are affected by the final-demand change. The induced jobs come from the increased spending of the workers that are in the directly impacted project and the supporting industries to that project.

**The indirect jobs and the induced jobs are shown separately because there must be an assumption that the additional household spending is occurring in that area of the project.**

Source: Older version of LED RIMS II Projection Models used on projects dated prior to January 2016. Beginning January 2016, updated LED RIMS II Projection Models are used.

Compiled by the Research Director of the Southwest Louisiana Economic Development Alliance  
August 1, 2017

