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Victoria vies for billion-dollar Exxon project

Victoria County is one of four sites being considered for a multibillion-dollar petrochemical complex proposed by Exxon Mobil Corp. and Saudi Arabia Basic Industries Corp.

The two companies are considering sites in Victoria and San Patricio counties, as well as Ascension and St. James parishes in Louisiana, which are both in between Baton Rouge and New Orleans.

Saudi Arabia Basic Industries Corp. is owned by the Saudi Arabian government and is that country's largest chemical company.

Texas and Louisiana provide local abundant natural gas feedstocks and the required infrastructure for the project, said Exxon spokeswoman Margaret Ross.

"If the project proceeds, the multi-billion dollar investment is projected to create significant state and local benefits, generating thousands of jobs and stimulating positive economic growth," Ross said.

She said it was too early to know how many jobs the project would create.

Victoria County officials have indicated to Exxon Mobil what the county would be willing to do in terms of infrastructure improvement as part of its effort to attract the project, Victoria County Judge Ben Zeller said.

He said he could not disclose more details because of a non-disclosure agreement with the company.

"We're certainly going to do what we can to land this project," he said. "It is a real competitive process, a competitive environment and obviously other communities would love to have this as well."

Victoria County officials have been in contact with Exxon Mobil about the project for more than a year, Zeller said.

"The fact that Victoria is one of the final four on the short list of consideration for a project of this size for a company like Exxon is a huge deal and speaks really well about our community and the effort that we've put forth in working together to showcase what we have to offer," Zeller said.

A multi-billion dollar project such as the one proposed would change the economic outlook of the community for years to come, Zeller said, and it would bring peripheral businesses and economic growth.

Zeller doesn't have a timeline of when Exxon Mobil will make a decision about the location.

"Our hope would be that it would be soon," he said. "I think it would be soon. How soon, that I don't know."

The Port of Victoria is the proposed location for the plant if the company picks Victoria County, Zeller said. Port officials have improved the property in recent years by adding infrastructure such as more liquid cargo docks, general cargo docks, roadways and rails, port spokesman Mike Sizemore said.

"We're glad to see that the Port of Victoria is being recognized for the infrastructure we have in place to possibly attract a new industry like this," Sizemore said.

The port has almost 2,000 acres that accesses inland waterways that lead to the Gulf of Mexico, dual rail service and four-lane divided interstate highways. The port also has an abundance of natural gas in the area, he said. Sizemore is not sure where the plant would build on the property if Victoria County is chosen.

The port will also have access to the future designated route of Interstate 69 that will run through Victoria County, Zeller said.

The port received a McCallum Sweeney Consulting certification within the past year, which certifies that the port has large industrial sites that are ready for significant projects, Sizemore said.

Exxon Mobil is the largest publicly traded international oil and gas company, said Luana Siegfried, a Houston energy analyst for Raymond James, a financial services holding company.

The project is in evaluation mode and needs to reach a final investment decision before it becomes more operational, Siegfried said, which can take another two to three years. Once this decision is made, construction can start right away and will take more than two years to complete.

Exxon Mobil Corp. and Saudi Arabia Basic Industries Corp. have extensive studies, due diligence to perform and

permits to obtain before reaching a final investment decision, Ross said.

The Gulf of Mexico is a good location because the project can become international being close to Mexico, Siegfried said.

"In addition to the U.S., you can reach Mexico, where the petrochemical industry has been almost stagnating for past years," she said.

The port access along the Gulf of Mexico would allow the facility to produce chemicals and plastics locally then ship them to developing countries, according to Fuelfix.com, a news and analysis website about the energy business.

The proposed facility would be capable of producing 1.8 million tons of ethylene each year that would feed three different plants, Ross said. The plants will make materials that can be used to make polyester and materials used in beverage bottles, containers, packaging, consumer and industrial projects, agricultural film and building and construction materials.

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