

# EXECUTIVE SUMMARY

The Center for Community and Business Research at The University of Texas at San Antonio's Valdez Institute for Economic Development has estimated the economic and fiscal impacts of a low-carbon blue ammonia plant. Enbridge and Yara Clean Ammonia have formed a joint venture known as Ingleside Clean Ammonia Partners, LLC to operate a low-carbon blue ammonia plant at the Enbridge Ingleside Energy Center in Ingleside, Texas, by utilizing innovative carbon capture and sequestration technologies.

*This facility is aimed at producing and exporting blue ammonia. Carbon dioxide capture and permanent sequestration technologies are used to produce blue ammonia, which is a low-carbon alternative to traditional ammonia production methods.*

An underground geological site will be utilized in South Texas to capture and permanently store 95% of the carbon dioxide generated during the industrial operation. Preventing the release of vast quantities of greenhouse gases into the atmosphere can significantly reduce the environmental impact of the ammonia production process.

The total economic impacts of the project in San Patricio County, which includes direct, indirect, and induced effects, are significant.

## Key Findings

1. **Total Output Impacts:** Output is the value of production by industry in a calendar year. It can also be described as annual revenues plus net inventory change.

- ❖ The construction phase activities produce a **cumulative** total output or revenue impact of close to \$1.4 billion for Year 1 through Year 4.
- ❖ The operations phase produces a **cumulative** total output impact of over \$7.0 billion for Years 4 through 14.
- ❖ The combined phases have led to a **cumulative** output impact of almost \$8.4 billion for Years 1 through 14.
- ❖ For Year 1 through Year 4, **the average** total output impact of construction activities is \$338.5 million **annually**.

- ❖ Operations' **average annual** total output impact is \$671.9 million for Years 5 through 14.

## 2. **Total Employment Impacts:**

- ❖ The construction phase is estimated to support an **average** of over 2,280 jobs per year from Year 1 to Year 4, peaking at 4,000 direct jobs in Year 3.
- ❖ The operations phase supports up to 200 **direct** jobs **annually** beginning in year 5, with a **total impact** (including direct, indirect, and induced) of 656 jobs every year.

3. **Total Gross County Product Impacts:** This indicator measures the market value of the goods and services produced by using resources from the local area. For instance, the dollar value of what is sold at retail firms includes the cost of goods and services from other regions outside San Patricio County, and these costs are deducted to calculate the gross county product of the local area.

- ❖ The construction phase is projected to contribute close to \$706.7 million to the **cumulative** gross county product from year 1 to year 4.
- ❖ The **cumulative** gross county product for the operations phase activities from Year 4 to Year 14 is expected to reach \$2.0 billion.
- ❖ The combined phases have a **cumulative** impact of up to \$2.7 billion from Year 1 through Year 14.
- ❖ The construction phase has an **average annual** gross County product impact of up to \$176.7 million between Year 1 and Year 4.
- ❖ The operational period has an **average annual** impact on the County's gross county product of up to \$189.0 million for Year 5 through Year 14.

## 4. **Total Payroll Impacts:**

- ❖ The **cumulative** total payroll impact during construction phase activities is estimated to be up to \$499.0 million from Year 1 to Year 4.

- ❖ For Year 4 through Year 14, there is a **cumulative** payroll impact of \$469.0 million due to the operations phase.
- ❖ The combined phases have a **cumulative** payroll impact neighboring \$968.0 million for Year 1 through Year 14.
- ❖ The construction phase will result in an annual average payroll impact of around \$124.7 million for Years 1 through 4.
- ❖ The annual **average** payroll impact for the operations phase is close to \$44.7 million for Year 5 through Year 14.

5. **Total Local Governments Revenues:**

- ❖ The combined phases of the project will generate approximately \$293.0 million in **cumulative** revenue for the City from Year 1 through Year 14.
- ❖ The Ingleside Independent School District (ISD) will receive **cumulative** revenues of up to \$383.2 million from Year 1 through Year 14.
- ❖ The County will also benefit from **cumulative** revenues of \$221.5 million due to the combined project's activities.

6. **Direct Property Tax Revenues:** Ingleside Clean Ammonia Partners, LLC calculated the projected **direct** revenue from property taxes for the County, the City, and the ISD using estimated investment schedules.

- ❖ The County can expect approximately \$212.5 million in **cumulative** direct property tax impacts from Year 1 through Year 14.
- ❖ The City has a **cumulative** revenue of approximately \$277.6 million for the same period.
- ❖ The ISD has a **cumulative** revenue of \$347.0 million for the same period.