
City council supports LNG

Port Lavaca Wave News
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Port Lavaca city council members Monday night approved a resolution supporting the proposed Calhoun LNG Terminal project to be located at the Port of Port Lavaca/Point Comfort.

The resolution asks the Federal Energy Regulatory Commission to support the terminal project and to approve the application with LNG for construction and operation.

Located five miles east of the port, the city has close economic ties to the existing industrial and petrochemical facilities in Calhoun County, Mayor Allen Tharling said in a letter to FERC.

"We believe Calhoun LNG will provide a reliable source of natural gas for our industries and help stabilize the market price for this much needed commodity," Tharling said. "This project is just what our region needs to make sure that our industries remain competitive and our employment base is maintained."

LNG is expected to provide a \$450 million investment, provide hundreds of construction jobs and up to 40 high paying permanent positions, according to the mayor.

Calhoun County Navigation District, that oversees the Port of Port Lavaca-Point Comfort, announced on Oct. 13 that it is working with the Gulf Coast LNG Partners LP to pursue development of a Liquefied Natural Gas import terminal. The terminal would be known as Calhoun LNG.

Gulf Coast LNG Partners agreed to pay \$50,000 a year to secure the identified land parcel and will fund and manage the project during the planning and permitting stages.

LNG is natural gas that has been cooled to -260 degrees Fahrenheit to condense it into a transportable liquid.

In other action, the council members received a financial presentation made by financial advisor Bob Henderson on the issuance of certificates of obligation in 2005. The bonds would be spent on infrastructure upgrades.

City Manager Gary Broz said city hall staff's idea is to complete the Mariemont infrastructure.

Henderson gave the council a printout on an interest and sinking fund tax rate study based on a total I&S tax rate of 10 cents.

According to the printout, the city currently has a total debt, through 2024 of \$5,038,915. By defeasing the 1995 series debt, the city would be able to issue \$1 million in COs in 2005 and keep the I&S at 10 cents, Henderson said. He noted that the city also has \$300,000 available to add to the \$1 million that could be spent on the infrastructure project.

Henderson noted that there is also a potential for the city to do a larger project and suggested City Engineer Jody Weaver prepare an estimate on what it would cost to do all of the streets needing repair in Port Lavaca.

Councilman Raymond Perez was concerned about the city "piecemealing" its street renovation project and departing from the five-year plan.

Councilman Tom Innes said the city should, "spread the CO money around" instead of spending it all on finishing the Mariemont area.

"I think we should spread this around more neighborhoods so there will be more visibility of street improvement," he said.

Council members Debra Briseno and Lee Rivera agreed.

Members accepted the financial report and authorized the city manager and staff to move forward on plans to upgrade infrastructure.

They also declared surplus property for the Port Lavaca/Calhoun County Chamber of Commerce and Agriculture auction, approved second and final readings of nuisance, brush and fireworks ordinances, approved a budget amendment and authorized Parks and Recreation Director Marc Vendl to pay vendors for the Redfish Tournament from donated funds and passed on a proposal to have a utility department vehicle repaired;

Council members also accepted an offer for a Gator Vehicle for the beach to Houston-Galveston area Council of Governments, authorized city hall staff to award contracts for the purchase of new vehicles for various departments and awarded a contract to Hunter Demolition of San Antonio to demolish three defunct city water towers at a cost of \$42,000.