
Port project would create about 600 jobs

Terminal would be capable of handling imported natural gas

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PORT LAVACA - A proposed project that would insure that Calhoun County's industrial giants have enough natural gas to operate in the future and mean 600 construction jobs over a three-year period is on the way to becoming a reality, officials said Wednesday.

In an agreement reached between officials of the Port of Port Lavaca-Point Comfort and Gulf Coast LNG Partners LP of Houston, plans will move forward to construct Calhoun LNG, a \$400 million terminal to handle imported liquefied natural gas. The complex would be built on the port's southern peninsula.

"This morning, members of the port board took the first step in moving this project forward by approving a resolution reserving the proposed site and expressing their willingness to assist in the development of the Calhoun LNG project," port Director Robert Van Borssum told a lunch crowd at the Bauer Community Center.

Natural gas, which is being burned off as waste in many countries, would be delivered by ship to the port and vaporized. The liquids becoming feedstock for chemical plants of the area and the natural gas would be sent by pipeline throughout the U.S., Van Borssum explained.

The imported gas would come from countries such as Trinidad and Nigeria. Randy Boyd, board chairman of the Calhoun County Navigation District, which manages the port, said Texas is running out of natural gas that was once so plentiful.

"Stability, that's the key," he said. "Every plant we have here must have natural gas. Without (Calhoun County's) 85 percent tax base from industry, we would have nothing. We need this development to keep those jobs here."

He added, "We believe this development would greatly enhance the local industrial community's long-term viability and increase the port's capability to deliver world-class marine access to the region we serve."

Rafael Garcia, executive vice president of development with Gulf Coast LGN Partners, said plans call for construction of two insulated tanks that measure 280 feet around and are 140 feet tall. They would contain 3 1/2 billion cubic feet of natural gas. There would also be a new dock capable of handling ships and what is described as a regasification facility, which would convert the liquid back into natural gas to be piped to users through the existing major pipeline systems of South Texas.

Garcia explained that the imported natural gas would be delivered in double-hulled ships much like "floating thermos bottles." The gas would take about 12 hours to be unloaded using pumps inside the specially designed ships.

Port officials have agreed to lease the site for \$50,000 a year.

However, Garcia said the size and scope of the terminal will be determined by those who use the terminal "as they look to bring much needed gas into the market."

Jim Lewis, a safety standards consultant for the Houston company, talked about the safety aspects of liquid natural gas.

He showed a photo of fish swimming in a pitcher in which he had poured liquid natural gas. Because the gas evaporates quickly, the fish were not harmed.

"Without the fish, I'd almost be willing to drink it," he said.

He explained that only the vapors from the gas will burn. "It is not flammable as a liquid."

Noting the 60 years the company's partners have been in the natural gas industry, Lewis said, "Never in history has there been a cargo release. There have been line (leaks) and a few gallons spilt."

Of three incidents that occurred on land, Lewis said each happened more than 25 years ago and noone would have happened under existing codes.

A meeting seeking citizens' input on the project will be at 7 p.m. Wednesday, Oct. 27, at the Bauer Community Center. Comments in favor of and opposed to the project are sought.

After that, the permitting process, which Garcia said takes about 18 months, will begin. The company's schedule calls for construction to begin early in 2006 and be completed in three years. When the work is complete and the terminal on line, officials said there would be 40 permanent "highly skilled jobs."

Garcia said the port was chosen because it is a protected port, with minimal crosswinds, very little current and 24-hour monitoring.

"It's a first class port operation and we will fit right in," he said.

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