



Ken Johnson

## A Message from the MCEDC President

The South Texas Project (STP) nuclear plant has been an outstanding addition to Matagorda County since its two generating units came on-line in 1988 and 1989. These two units generate more than 15 billion kilowatt hours of power annually and have the lowest cost per kilowatt hour for nuclear plants in the U.S.

Some primarily non-local organizations have stated that they do not support STPs planned addition of the two generating units. The reasons they oppose nuclear power are not from Matagorda County's experiences. We want to separate fact from fiction for Units 3 and 4 as they relate to our experiences with having a nuclear power plant in our community.

The article to the right is meant to shed some light on misconceptions that the plant expansion has brought. It details information about STP, its planned expansion of Units 3 and 4, and its vision for improving the lives of our community through meeting the energy needs for today and for our future.

STP is the "industry benchmark" in the nuclear power generating industry for its outstanding record of operations and efficiency. It has been good for Matagorda County and for Texas. The expansion of Units 3 and 4 will extend those benefits for years to come.

For further information, you may also want to visit the STP website at [www.stpnoc.com](http://www.stpnoc.com) or [www.stpegs.com](http://www.stpegs.com). There you will find a complete overview and history of the plant.

## A Vision for Excellence in Energy Generation

# STP - Striving to Meet the Power Needs of a Growing Texas

STP is one of the newest and most productive nuclear power plants nationwide. The twin-reactor facility produces 2,500 megawatts of electricity, enough to serve more than one million homes in Austin, Corpus Christi, Houston, San Antonio and surrounding areas in south central Texas.



The plant is located on a 12,220-acre site and is managed by the STP Nuclear Operating Company, employing about 1,300 full time personnel and contractors. STP is owned by Austin Energy (16%), CPS Energy (40%) and NRG Texas LLC (44%).

**Spent Fuel Storage** - STP currently stores spent fuel pellets safely and securely on-site. Units 1 and 2 have enough spent fuel pellet storage capacity on-site to last 40 more years. The new Units 3 and 4 will have on-site storage capacities to last for 60 years. Spent fuel storage is a Federal obligation. The Federal government has committed to create a national storage site for spent nuclear fuel.

**Site Security** - STP has spent over \$12 million to upgrade on-site security since 9-11. The design of STPs nuclear reactors makes them safe from Category 5 hurricanes, tornadoes and crashes by large aircraft.

**Emergency Operations Center** - STPs jointly staffed and operated Emergency

Operations Center (EOC) in Matagorda has regularly scheduled and graded emergency response exercises. The Nuclear Regulatory Commission (NRC) has rated STPs performance as "Excellent" by industry standards in its annual drills. The EOC is a major benefit to Matagorda County. Its emergency response plans, staffing, equipment and training exercises have prepared local responders for all types of emergency situations including hurricanes, tornados, floods, nuclear situations, pipeline ruptures and industrial fires.

**Environment** - STPs expansion will not take Matagorda County land out of production. The STP site and cooling pond were initially designed and permitted to house four nuclear generators. Matagorda County is on three migratory bird flyways. It has recorded the most bird species sightings in the North American Audubon Christmas Bird Count for nine of the past 10 years. STP maintains a prairie wetlands area for birds. Its large cooling pond supports

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# Retail Expansion and New Developments



The 23,300 square foot shopping center located next to Wal-Mart will offer CATO (a clothing store for women), Hibbett's Sporting Goods, Sally's Beauty Supply, Fancy Nails and King Buffet with other retail stores to come.

Bay City has seen lots of retail expansion in 2007, with the hopes of seeing much more in 2008. The Super Wal-Mart opened in January with Chili's Bar & Grill and Pizza Hut Wing Street opening soon after; while the Tractor Supply Company made a wise investment by renovating half the old Wal-Mart building. ReMax Bay Area opened a branch in Bay City, along with All Star Real Estate's new building on Seventh Street. The WorkSource and the Business Assistance Center opened their doors to help those seeking jobs and new business ventures. Extended Stay opened giving out-of-towners and business men and women another choice in hotels, as well as the new bed-and-breakfast - Duncan B&B.

Several merchants in the downtown historic area opened or renovated. Some of our new establishments include: Emma's Italian Bistro, The Shoe Craze, Thyme and Again, and Social Butterfly. The I Skream Company opened back up with a new owner. The owners of the Main Street Coffee Bar opened the Main Street Express

off Hwy 35 for drive-thru convenience offering it's famous coffee and specialty food items. One of our more impressive changes around the square was the relocation of Lagniappe.

What's in store for 2008? La Quinta's opening is just around the corner. The shadowbox shopping center next to Wal-Mart is close to being completed. We should soon see signs of new stores opening like Hibbett's Sporting Goods, CATO, Sally's Beauty Supply, and King Buffet. Rumors are that CVS is close to making an announcement on a new standalone location and several more hotels want to locate in Bay City.

One of the most exciting things we will see this year is upstairs-multifamily living spaces in one of our historic buildings around the square. With great anticipation, we will see renovations beginning in the Bay Tex Hotel. New residential projects are also underway around town, as well as a new Hike & Bike Trail at the High School. First State Bank broke ground, as did the new Matagorda County Regional Hospital. Other new facilities include, Airgas and Gulfstream Terminal & Marketing.

Bay City saw a 20% increase in retail sales last year. It is most certainly going to see continued growth and development, and should begin to level off, with retail sales projected to grow at a rate of 10%.

Matagorda, Palacios and Sargent are also experiencing a lot of growth in retail and residential developments.

In Matagorda, the Intracoastal Bridge is on schedule and should be completed this year. Bay Harbour, a new waterfront community is well underway with many

lots already sold. New restaurants include Spoonbills and The Reef. Cattails, an upscale, modern day Mercantile Store featuring artwork, clothing, fine wines, cigars, gourmet foods and coffees is located in the Karankawa Village. You will soon see beautiful Palm trees lining the entrance to Matagorda as a part of a project by the



AOC Welding Supply located on Hwy 35 near LaQuinta is also close to being ready for business.



The new La Quinta located on Hwy 35 past Sutherlands is slated to be opened soon.

Matagorda Chamber and TXDOT. A new flood gauge on the Colorado River has been approved and will be put in place the first part of the year.

In Palacios Midcoast Lumber & Hardware opened its doors, along with a Deluxe Inn and the expansion of Topside Lodging. Rotocraft Leasing, a helicopter leasing business servicing off-shore rigs located one of its sites at the Palacios Airport. Another waterfront community, Beachside-Phase I had over \$15 million in sales by the end of 2007.

Sargent has two new RV Parks and new subdivision developments in the works.

Other waterfront developments underway include: The Brookings on Tres Palacios Bay; Siesta Key in Matagorda; and Liveoak Landing in Blessing.

# STP Center for Energy Development

The eagerly awaited Center for Energy Development training facility in Bay City is officially open with 162 students being taught by Wharton County Junior College (WCJC) instructors. The new center will emphasize Process Technology and Power Technology programs in response to the employment needs of Matagorda County's industrial employers.

The impressive new facility is the result of a \$4.5 million investment by the Bay City Community Development Corporation (BCCDC). The

creative renovation replaces a decaying eye-sore with a very eye-catching and attractive new facility for the south side of Bay City.

BCCDC Executive Director D.C. Dunham and County Judge Nate McDonald were the driving forces on the Bay City-Matagorda County United Committee seeking to locate a larger facility where WCJC could expand its Bay City Process Technology program and teach a wider range of general education and technical courses.

After 18 months of searching for a building, BCCDC was prepared to construct a new 20,000 square foot building on Hwy



WCJCs Process Technology program has a very high placement success, with graduates averaging \$43,000 annually. Lyondell is a major supporter of this program with employees serving as instructors. It hires program graduates, as do OXEA and Conoco Phillips. The program currently has 162 students enrolled for Spring.

35 when STP announced its expansion. That provided an opportunity to house up to 100 new design engineers and employees who would be working on Units 3 and 4. BCCDC used the opportunity to acquire the vacant 86,000 square foot K-Mart building. Clark Young, Bay City Public Works Director, supervised the renovation process. BCCDC leased 40,000 square feet to STP to encourage these new employees to live in Bay City and Matagorda County. WCJC occupies 20,000 square feet, and a 6,000 square foot "public street" serves as an entry and mingling place between the WCJC and STP sides of the building. About 20,000

square feet remain unfinished. It is expected that WCJC will expand into the STP space when it vacates in 2011.

STPs future employee needs led to the creation of a new two-year Power Technology program to train employees for nuclear and conventional power generation plants. Seventeen existing and proposed power plant expansions or new construction projects are proposed for the five-county region around Matagorda County. In addition, retirement is adding to the demands for educated and skilled replacement workers. STP requires that its new employees have at least a two-year post-high school certificate or degree.

## STP - Meeting Needs of a Growing Texas continued:

migratory birds and eagles. Its proximity has not adversely affected the Mad Island WMA or Big Boggy NWR. Nearby East and West Matagorda Bays continue to be prime year-round fishing areas. Matagorda County continues to be a major duck and goose wintering area. Eco-tourism has been a major attraction to Matagorda and is growing in financial importance.

**Power Needs** - Texas projects a need for 40% more power in the next 25 years. Relying on wind or solar generation for most of that new power will require hundreds of thousands of acres of agricultural land or Gulf waters for wind turbine farms and new power lines. Such large acreage demands would cause major environmental issues - similar to those currently being fought on small wind power generation projects in Texas and other parts of the U.S. STPs nuclear power is not environmentally polluting. It takes the place of gas/coal-fired power generation that would produce serious air quality pollution.

**Financial Issues** - Investment in new nuclear capacity at STP is investment supporting the continued growth of Matagorda County and South Texas. "Green" power generators - such as wind farms, solar farms and wave generation technologies - cannot presently compete financially with STPs nuclear power generation costs per kilowatt hour without government subsidies and government requirements for their use. Nuclear energy is perhaps the world's cleanest electricity producer, especially in relation to kilowatts produced; and because it doesn't burn anything to produce the electricity, the energy is practically emission-free. STP Units 3 and 4 will generate more than 2,600 megawatts of reliable and cost-efficient power for Texas' homes, businesses and industry. Construction of the two Units will cost more than \$5 billion and will create more than 4,000 construction jobs during the peak period, and once operational, approximately 800 permanent jobs. The permanent jobs will create many additional jobs in our community to provide the goods and services needed to support the new workforce.

Bottom line, STPs vision is to improve the lives of Matagorda County by generously supporting the community and investing in its future to meet the electricity needs of a growing Texas economy in the most economical way without compromising the environment.



STP is a proud supporter of several environmental and conservation organizations including the Matagorda County Birding and Nature Center and the National Audubon Society's Annual Christmas Bird Count.

The Matagorda County Economic Development Corporation (MCEDC) Board represents all of Matagorda County and consists of 11 appointed members from five public entities - Matagorda County, the Bay City Community and Palacios Economic Development Corporations, Navigation District #1, the Port of Bay City Authority - and the four Chambers of Commerce from Bay City, Matagorda, Palacios and Sargent.

The MCEDC is focused on recruiting new industrial and commercial businesses and tourism infrastructure developers to Matagorda County. The Bay City Community Development Corporation recruits retail businesses to Bay City and helps existing retailers expand.

**MCEDC Board Members:**

Ken Johnson - Palacios EDC - President  
 Mayor Richard Knapik - BCCDC -VP  
 V.L. Bowers - Palacios Chamber - Secretary  
 George Harrison - Port of BC - Treasurer  
 Mayor Joe Morton - Palacios EDC  
 Councilman Joe Enoch - Bay City CDC  
 Judge Nate McDonald - Comm. Court  
 Susan Mitchell - Matagorda Area Chamber  
 Phill Richman - Navigation District #1  
 Muriel Tipps - Sargent Chamber  
 Mitch Thames - Bay City Chamber

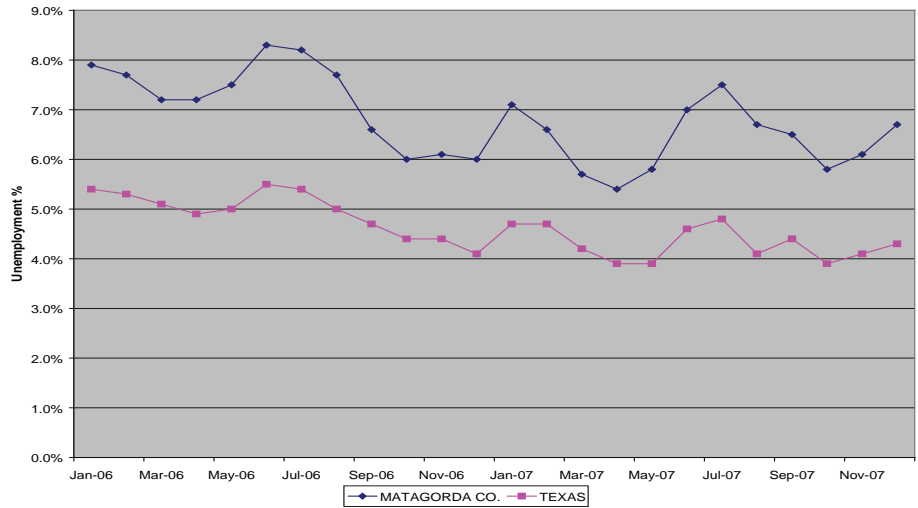
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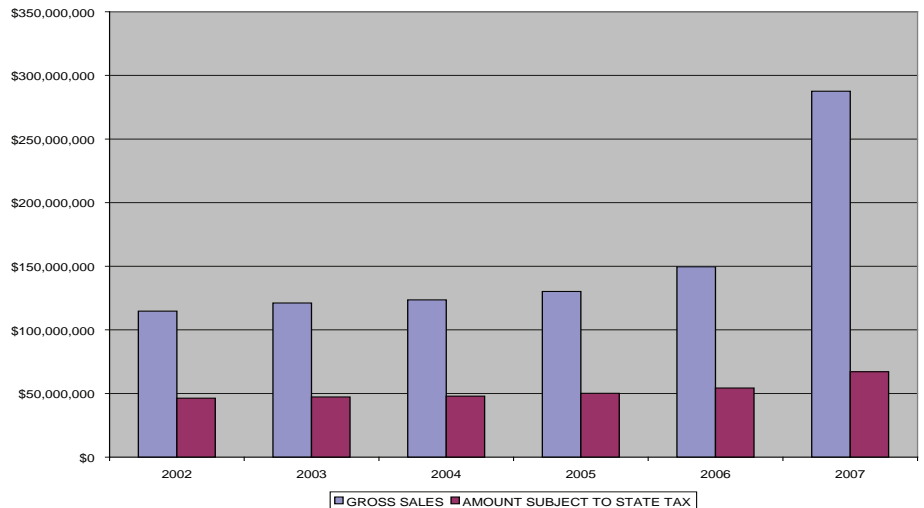
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## Economic Indicators:

### Matagorda County Unemployment Rates Compared to Texas Through December 2007



### Matagorda County Sales Tax Report - All Industries/2nd Quarter



The MCEDC promotes economic development using the county's assets of multiple natural gas lines, rail service by two providers, barge service on the Intracoastal Waterway and Colorado River channel, a nuclear power plant and large transmission grid, abundant river and groundwater supplies, large tracts of flat land, no zoning, air quality attainment and a business welcoming attitude. For more information go to [www.mcedc.net](http://www.mcedc.net).

This newsletter is published three times per year and distributed by the MCEDC.

For questions or comments, please contact Lisa Tew at (979) 245-8913, or [ltew@co.matagorda.tx.us](mailto:ltew@co.matagorda.tx.us).

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