

Agenda Item Details

Meeting	Mar 10, 2026 - Bryan City Council Second Regular Meeting
Category	7. Regular Agenda - This agenda consists of items requiring individual consideration by Council.
Subject	A. Consider approval of a Chapter 380 Economic Development Agreement between Messer, LLC and the City of Bryan, Texas
Type	Action
Preferred Date	Mar 10, 2026
Absolute Date	Mar 10, 2026
Fiscal Impact	No
Budgeted	No
Goals	Economic Development

Summary:

Messer LLC is considering a new Liquid Air Separation Unit site location in Bryan, Texas serving the area market and greater Texas Triangle region. The project will be located in the recently City Council-designated Reinvestment Zone No. 34. The project includes production facilities that separate air into its basic components, buildings and ancillary facilities supporting operations, and related improvements including required parking, landscaping, and tangible personal property, such as machinery and equipment installed or located at such improvements. Messer LLC considers themselves to be a "utility" providing needed commodity products (i.e., primarily oxygen and nitrogen) to industry sectors, such as healthcare, biopharma, and semiconductor.

Staff Analysis and Recommendation:

Staff recommends approval of the proposed Chapter 380 Economic Development Agreement. As part of the site selection process, Messer LLC requested tax abatement consideration. Due to other considerations involving electric service and a private sanitary sewer line, the City and Messer determined an Economic Development Agreement is the appropriate agreement mechanism pursuant to Chapter 380 of the Texas Local Government Code. The project investment is approximately \$65.4 Million to include \$2.6 Million of facilities and other real property and \$62.8 Million in personal property improvements, including machinery and equipment. Messer's goal is to have the facilities "energized" and "on stream" by Summer 2027.

The following terms are under consideration by the City Council, per the proposed Economic Development Agreement:

- Term(s):** Thirty (30) years from the Effective Date or as extended by Option Terms in the Enterprise Easement; five (5) years for the Economic Development Grant Incentives Period commencing with the First Year of Cash Incentives.
- Economic Development Grant Payment:** 55% of ad valorem taxes collected within the City's Maintenance & Operations (M&O) tax rate, each year only during the Economic Development Grant Incentives Period, if Messer achieves and maintains the annual Guaranteed Value.
- Enterprise Easement:** City (BTU) has or will obtain from Enterprise Crude Pipeline LLC a non-exclusive 20' wide electric easement and right-of-way (being approximately 0.29 acres).
- Payment for Enterprise Easement:** Messer shall pay Enterprise Crude Pipeline LLC (Enterprise), or reimburse BTU for its payments to Enterprise as the case may be, for annual rent for the Easement that Enterprise or its successor charges. Annual rent is as follows: Years 1-10 = \$10,000 per year; Years 11-20 = \$12,000 per year; and Years 21-30 = \$14,000 per year.
- Relocation of BTU Infrastructure:** If Enterprise, or its successor, requires BTU to move its infrastructure in the area of the Enterprise Easement, Messer shall reimburse BTU the reasonable costs to perform the removal/relocation. BTU may request interim reimbursement no more frequently than ninety (90) days, as the removal relocation project progresses. Messer shall pay reimbursement requests within ninety (90) days from BTU's presentment of a reimbursement request.
- Security for Easement Payment Obligation:** Messer shall secure its obligation for payment of the annual rent by posting a surety bond, letter of credit, or establishing a cash escrow agreement.
- Boatcallie Easement:** City grants Messer a thirty (30) year non-exclusive license to place a private sanitary sewer line in the City's right-of-way. Additionally, City waives any fee for this easement. Messer shall be solely responsible for proper upkeep and maintenance of its private sanitary sewer line.

8. **Guaranteed Minimum Payroll:** Beginning the First Year of Cash Incentives and continuing in Tax Years 1-5 of the Chapter 380 Program, Owner shall maintain an annual minimum total Payroll (excluding benefits) for at least sixteen (16) FTEs, in the amount of no less than \$1,350,000.
9. **Quality of Life Payment-in-Lieu-of-Taxes ("PILOT"):** 5% of the M&O taxes paid by Messer to the City each year of the Economic Development Grant Incentive Period.

Guaranteed Value and Quality of Life PILOT Estimate

1. Guaranteed Value by Year 1 = \$52,500,000; Year 2 = \$47,500,000; Year 3 = \$47,500,000; Year 4 = \$47,500,000; and Year 5 = \$42,500,000
2. Total Estimated Quality of Life PILOT value for the 5-year term: \$29,576.50

Deficit Payment

If in any and every Tax Year during the Economic Development Grant Incentive Period, Messer's Ad Valorem Tax liability to City attributable to Improvements and Personal Property is not at least \$312,000 prior to application of the Economic Development Grant, Messer agrees to pay City a Deficit PILOT in an amount equal to the difference between the amount of Ad Valorem Tax Collections for the given year and \$312,000.

Employee Deficit Payment

If in any tax year during the Economic Development Grant Incentive Period, Messer does not achieve the annual the Guaranteed Minimum Payroll obligation of \$1,350,000, Messer must pay City an Employee Deficit PILOT of \$7,500 for each employment position under the sixteen (16) each year in which said obligation is not met.

Messer is a global leader in their industry sector. Messer's products will further secure the City of Bryan's position in supporting the continued expansion of the City's market within the critical health care industry, as well as existing and targeted industries including but not limited to biopharma and semiconductor.

Options:

1. Approve the proposed Economic Development Agreement
2. Do not Approve the proposed Economic Development Agreement

Attachments:

1. Proposed Economic Development Agreement