

Economic Development Agreement Messer LLC – City of Bryan



CITY OF BRYAN

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Tuesday, March 10, 2026

Who is Messer?

- BLUE CHIP – Largest privately held industrial gas company in the world.
- Messer Group is headquartered in Germany, has annual estimated revenue of over \$5 Billion, and over 11,000 employees globally.
- Operate under the “Gases for Life” brand.
- Consider themselves to be a critical “utility”
- Messer LLC (North Americas) estimated annual revenue =
\$2.5 Billion
- Messer LLC (North Americas) has over 5,000 employees



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Background

- Messer LLC is considering a new Liquid Air Separation Unit site location in Bryan, Texas
- The project will serve 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.



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Analysis

- 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.
- 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.



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Key Terms

1. **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.
2. **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.
3. **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).
4. **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.
5. **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.



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Key Terms cont...

6. **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. As an additional grant, City waives any fee for this License. Messer shall be solely responsible for proper upkeep and maintenance of its private sanitary sewer line.
7. **Guaranteed Minimum Payroll:** Beginning the First Year of Cash Incentives Period and continuing in each tax year of the Economic Development Grant Incentives Period, Messer shall maintain an annual minimum total Payroll (excluding benefits) for at least sixteen (16) FTEs based at the Project Facility in the amount of no less than \$1,350,000.
8. **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 on the Incremental Taxable Value of the Property and Personal Property owned by Messer located in Reinvestment Zone #34.



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Guarantee Value & Quality of Life PILOT Estimate

Guaranteed Value by Year

Yr. 1 = \$52,500,000

Yr. 2 = \$47,500,000

Yr. 3 = \$47,500,000

Yr. 4 = \$47,500,000

Yr. 5 = \$42,500,000

Total Estimated Quality of Life PILOT Value (5-year term)

\$29,576.50



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Deficit Payment

If in any and every Tax Year during the Economic Development Grant Incentive Period, Messer's Ad Valorem Tax liability to City 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.



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Employee Deficit Payment

If in any and every Tax Year during the Economic Development Grant Incentive Period, Messer does not achieve the annual the Guaranteed Minimum Payroll obligation, Messer must pay City an employee deficit PILOT of \$7,500 for each employment position under the minimum sixteen 16 FTEs for each year in which said obligation is not met.



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