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Pipelines boost local cash flow

By Connie Beard

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Pipeline construction through Lamar County during the past year has made an impact on the local economy during a time other areas of the country are reeling from the effects of the greatest economic downturn since the Great Depression.

Motels, mobile home parks and businesses as a whole have received a boost as have sales taxing entities, particularly the City of Paris and the City of Roxton. Sales tax revenue reported in Lamar County in December 2008 and January 2009 was up 30.78 percent in December and 27.99 percent in January.

Gulf Crossing Natural Gas began work in summer 2008 followed shortly by Midcontinent Express. Both lines snake their way more than 40 miles through Lamar County. Although pipe lines for both companies are now in the ground, work continues on a Midcontinent compression station on Texas 24/19.

“The only way I can assess the actual impact is from one year to the next,” said Pete Kampfer, executive director of Paris Economic Development Corporation. “We do think it is a large component of sales tax revenue. That activity is impacting the economy.”

Midcontinent Express has two construction spreads in Lamar County. They include approximately 40 miles of 30-inch pipeline and 20 miles of 42-inch pipe extending from the project start near Bennington, Okla., to just over the Red River county line.

“While the pipeline information covers about 60 miles across several counties, all vendors used (except one) are in Paris,” said Midcontinent spokesperson Megan Mastal of Insights Strategic Public Relations in Houston.

Each spread employs approximately 320 workers at full strength. Mastal estimates they spend from \$1,000 to \$1,330 each month on lodging, food, gasoline, entertainment and retail purchases, which translates into between \$640,000 and \$850,000 per month.

Overall, the Midcontinent pipeline project has purchased more than \$1.5 million in equipment and supplies from almost 30 Paris vendors since September 2008.

The compressor station has spent more than \$3 million locally on equipment and supplies as of mid-March 2009. The total number of workers is approximately 112, who spent an estimated \$1,000 to \$1,300 locally each month on food, lodging, gasoline, entertainment and retail purchases.

Mastal said the first section is scheduled to be online in April.

Once in operation, ad valorem taxes to be paid by Midcontinent Express Pipeline L.L.C. annually in Lamar County are expected to be more than \$1.9 million, although this estimate is subject to changes in final investment numbers, tax rates and other contingencies, Mastal said.

Midcontinent Express is a 507-mile interstate pipeline that will transport natural gas from Texas, Oklahoma and Arkansas to the Midwest, Northeast and Southeast through interconnections with existing pipelines.

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