
UPDATE: Baker Petrolite will invest \$10 million in Kilgore facility

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Kilgore Economic Development Corporation directors unanimously approved an agreement Tuesday night with an existing company that will bring a \$10 million investment to the city and the promise to retain 75 jobs here.

Baker Petrolite, a subsidiary of Baker Hughes Inc., will invest \$9 million to expand its facility and \$1 million for additional equipment and personal property at its Hwy. 42/Paluxy Street location. In exchange, KEDC will give the company two lots along Woodbine Street, which are adjacent to BP's property, for the expansion. KEDC will also give the company \$22,000 to retain 75 full-time jobs for three years.

Amanda Nobles, KEDC executive director, said she was "delighted" with the deal and Bobby Beane, KEDC board president, added he believes it is "a good deal all the way around."

Nobles said after the meeting that KEDC purchased the two lots for \$78,000 in September 2008 and spent another \$300,000 on a drainage project that would improve the lots and make them developable.

"Because of inadequate drainage, those lots were never going to be developed by anyone in the private sector," Nobles said. The existing storm drain system, which drains a large portion of land along Hwy. 42, was too small and heavy rains caused "sheet flow," where water amassed on the surface of the lots and other properties in the area. The old drainage pipe was replaced with a larger pipe, which now captures all of the water, Nobles said. "That is a city infrastructure project and it needed to be improved if we wanted to have any development on that lot," she said. "When we look at industrial property, we ask how can we make this available so someone in the private sector can come in and develop it? We think it's a good investment since BP is going to put \$9 million into their expansion."

She said KEDC has been working for months with the company and has worked with BP in the past on other expansions. "We figured this deal is much cheaper for them than having to relocate the plant, and if they were to do that Kilgore's not the only place in the world. It's certainly better for us that they expand in Kilgore than leave.

It's also great news for Rusk County because that part of the city is within the county," Nobles said.

Baker Petrolite manufactures specialty chemicals for oil and natural gas production, primarily fluid stimulants for oil drilling, as well as hydrate, corrosion, paraffin and scale inhibitors. It also makes additives for refineries, herbicides for farmers, and polymers for manufacturers. Kilgore is home to one of the company's "blend" plants.