

1 Project Narrative

GT Logistics, LLC (GT Logistics) is proposing the GT OmniPort Rail Expansion Project (project) to construct additional rails onto the railroad system loop servicing the GT Omniport facility (GTO) near Port Arthur, Jefferson County, Texas.

The project is necessary to accommodate growth and increase the railcar capacity of the existing GTO facility. The intended purpose is to increase the amount of product GTO can process due to rising demand from facilities GTO services along the Gulf Coast.

The project is approximately 1.2 miles from the intersection of State Highway 73 and State Highway 82 just outside of the city limits of Port Arthur, Texas. The project is located wholly within GTO, on property adjacent to Taylor Bayou.

The project is proposed to commence in 2022 and will fill ± 3.05 acres of jurisdictional wetlands. Permit authorization is requested to facilitate unavoidable wetland impacts associated with fill that will result from the project. See Appendix A for Engineering (ENG) Form 4345.

1.1 Environmental Setting

The project site is situated around a historic industrial development to the south which transitions to undeveloped wetlands to the north. Forested wetlands, developing in what was formerly a United States Army Corps of Engineers (USACE) dredged material placement area, are located along the western limit of the project site. The former industrial development is characterized by large areas of disturbed soil, most of which, is covered by concrete slab or rock. The herbaceous wetlands are characterized primarily by marsh-hay cordgrass (*Spartina patens*) and various other grasses, rushes, and sedges. The forested area is dominated by Chinese tallow (*Triadica sebifera*) trees with a thick undergrowth of eastern baccharis (*Baccharis halimifolia*).

Taylor Bayou is located to the west and south, a small residential neighborhood to the north, and heavy refining industrial facilities to the east. Taylor Bayou is separated from the project by a USACE Hurricane Flood Protection Levee. A Lower Neches Valley Authority (LNVA) canal bisects the project site. Major Texas Department of Transportation thoroughfares, State Highways 73 and 82, run through the aforementioned residential and industrial developments.

1.2 Background

GTO was acquired by Golden Triangle Properties, LLC (GTP) in April 2010 for the development of a multi-modal terminal for crude oil shipped via rail, barge, and truck. Formerly, the site was a chemical plant originally constructed in December 1950 by Koppers Co. and further expanded over the course of five decades by various entities until plant shut-down in 2001 by Equistar Chemicals, LP.

GTP developed the original railroad system loop in support of the multi-modal terminal which was permitted under SWG-2014-00661. GT Logistics is the current operator of GTO and is proposing this project in support of enabling the facility to process renewable diesel.

1.3 Project Description, Purpose and Need

The project includes the installation of additional rails to the railroad system which encircles the main processing area. The proposed project also includes the installation of an additional tie into an existing Union Pacific Railroad Company (UPRR) rail line to the east. The project also includes the construction of 4 new bridge installations across the Lower Neches Valley Authority (LNVA) canal including 3 railroad bridges and one access road bridge. See Appendix B for the project plans.

The project is designed to accommodate renewable diesel transloading activities. Specifically, the track layout utilizes a rail loop system that facilitates efficient receipt and switching of multiple unit trains simultaneously. The proposed rail loop expansion will further increase the capacity of unit trains that can be received and the efficiency of the train-to-barge transloading activities and to accommodate renewable diesel.

The basic purpose of the project is to accommodate the addition of renewable diesel to be transloaded between an existing UPRR rail line and an existing marine terminal. The overall purpose of the project is to provide an efficient means of offloading/loading renewable diesel to facilities along the Gulf Coast.

With the expansion Valero Refinery in Port Arthur, as well as other developments along the Gulf Coast, a need was created for additional rail and terminal services to move renewable diesel in the immediate area. With increasing industrial demand within the service area, the project provides vital infrastructure necessary to supply renewable diesel to Port Arthur and other Gulf Coast areas.

2 Alternatives Analysis

Based on the project purpose and need, GT Logistics designed the project to facilitate the increasing demand for renewable diesel and other petroleum products in the vicinity of GTO. With the proposed expansion, GT Logistics will be able to meet the demand for renewable diesel in the Port Arthur area. Since the rail system loop servicing the GTO facility exists within its current location, alternative sites were not explored for the rail expansion. The addition of rails to the existing rail infrastructure is the only logistical option that would increase product supply to facilitate industrial demand increases.

2.1 No Action Alternative

The no action alternative involves the existing rail infrastructure remaining as it is. Under this scenario, the railroad system and supporting infrastructure would be unable to supply product to industrial facilities at an adequate rate to meet demand. This scenario would limit potential industrial and economic growth in the Port Arthur area. This alternative does not fulfill the intended project purpose and need.

2.2 Offsite Alternative 1

Offsite Alternative 1 (ALT #1) is an approximate 45-acre undeveloped parcel located at the City of Port Arthur Business Park on West Port Arthur Road (Texas State Highway 93 - Spur) in Port Arthur, Texas. At the time of site selection, ALT #1 was available for purchase and zoned by the City of Port Arthur for industrial use.

Access to main line rail service for ALT #1 is immediately east of the property, adjacent to West Port Arthur Road. Despite the close proximity of the rail line, which is serviced by UPRR, construction of a rail connection would require crossing of heavily traveled, four-lane highway. UPRR was unwilling to consider construction of such a connection due to safety concerns. Lack of connecting rail infrastructure for ALT #1 makes project construction at the site impractical.

ALT #1 is not located directly next to a navigable waterway accessible to barge traffic; it is however, in close proximity to potential barge terminal locations along both Taylor Bayou (approximately 5 miles) and the Gulf Intracoastal Waterway (GIWW) (approximately 7 miles). Despite the close proximity, utilization of a barge terminal not directly adjacent to the property is not logistically efficient as this would create the need for two offloading and loading locations (barge-truck and truck-rail) rather than just one (barge-rail). Additional offloading and loading points creates added potential for transloading incidents and creates additional costs associated with the overall transport. Because the property does not have direct access to navigable water, locating the project at the ALT #1 property is not practicable.

A review of the National Wetlands Inventory (NWI) map indicates the presence of herbaceous wetlands (41.3 acres) within the ALT #1 site. Given the relative size of the mapped wetland areas in comparison to the overall size of the site, it is likely ALT #1 wetlands would be impacted if a successful project could be constructed. However, as detailed above, construction of the project at this location is not practicable.

2.3 Offsite Alternative 2

Offsite Alternative 2 (ALT #2) is an approximate 50-acre undeveloped parcel located along the GIWW at the Port of Port Arthur in Port Arthur, Texas. At the time of site selection, ALT #2 was available for purchase and zoned by the City of Port Arthur for industrial use.

Direct access to main line rail service, provided by Kansas City Southern Railroad, is available for ALT #2. The access to main line rail service would allow unit trains to arrive directly at the site for rail-barge transloading activities. However, due to the size and shape of the available parcel, there is not adequate space to construct additional rail trackage. The trackage is needed to provide rail tankcar storage and space for switching activities essential to operating efficient transloading services that meet the project needs. Lack of rail infrastructure and the space within which to construct rail infrastructure for ALT #2 make the project impracticable at this site.

ALT #2 is located directly on the GIWW, an ideal location for the required marine access necessary for a successful project. However, due to the configuration of the property and the available waterway frontage, the Port of Port Arthur could offer only two barge docks at this location. A two-barge minimum would restrict the volume of crude that could be moved such that project goals would not be met. If adjacent parcels of land could be utilized for additional barge space, the project would be sustainable at this location. However, the surrounding areas are heavily developed and expansion of the ALT #2 site and therefore development of ALT #2 is not practicable.

A review of the NWI map for ALT #2 indicates the presence of herbaceous wetlands (14.9 acres), scrub-shrub wetlands (0.5 acres) and forested wetlands (5.0 acres). Given the relative size of the mapped wetland areas in comparison to the overall size of the site, it is likely ALT #2 wetlands would be impacted if a successful project could be constructed. However, as detailed above, construction of the project at this location is not practicable.

2.4 Onsite Alternative 1 (Preferred Alternative)

Alternative 1, the preferred alternative, is the construction of an additional rails to the railroad system loop servicing the GTO facility to facilitate increasing industrial demands. In compliance with regulatory guidelines, the project site was reviewed for potential impacts to cultural resources, coastal zone, water quality, threatened and endangered species, and wetlands.

3 Project Impacts

3.1 Cultural Resources

A search of the Texas Historical Commission online archaeological database and the National Park Service online database of the National Register for Historic Places (NRHP) found that while the entire GTO has not been previously investigated for cultural resources, portions have been surveyed for cultural resources going back to 1986. These investigations, some of which consisted solely of pedestrian survey, and others which combined pedestrian survey with shovel testing, did not locate any cultural resources within the project site. Considering the lack of any previously discovered cultural resources in the GTO vicinity, and considering that the proposed project is comprised of the expansion to existing facilities, no impacts to cultural resources is anticipated as a result of the project.

3.2 Coastal Zone Management

Activities within the Texas Coastal Management Program boundaries, must comply with the relevant enforceable policies of the Coastal Management Program. As such, the project has been designed in a manner consistent with the policies. See Appendix C for the Coastal Zone Consistency Form.

3.3 Water Quality

The Texas Commission on Environmental Quality (TCEQ) water quality certification is required to ensure the project complies with state water quality standards. GT Logistics will submit for a pre-filing to TCEQ for a Tier II Water Quality Certification once a USACE public notice for the project has been issued.

3.4 Threatened and Endangered Species

The United States Fish and Wildlife Service's (USFWS) Information for Planning and Conservation (IPaC) tool was used to generate a Species Report for the project site. The IPaC report provided information regarding species listed federally as threatened or endangered, as well as critical habitat. The list included 3 birds: the eastern black rail, piping plover, and red knot. The West Indian manatee, as well

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as five species of sea turtles, was also listed for Jefferson County, Texas. There is no habitat favorable for any of the eight federally listed species at the project site. See Appendix D for the USFWS *IPaC* Species Report.

State-listed species were obtained from Texas Parks and Wildlife Department (TPWD) website. These species were reviewed for the potential to occur in the vicinity of the project site and a biological field survey was conducted in March 2021. There were no species listed by TPWD observed during the field survey.

Data was also obtained from TPWD Texas Natural Diversity Database (TXNDD) for any known occurrences of listed species or other sensitive features in the vicinity of the project site. According to the TXNDD data obtained for this project, there are no known occurrences of threatened or endangered species. TXNDD data did reveal that there may be colonial nesting wading bird rookeries in the vicinity of the project. There was no habitat conducive to rookeries observed during the field survey and there were no active or historical wading bird nests observed in the vicinity of the project site during field surveys conducted in March 2021.

3.5 Wetlands

The project site was delineated for wetlands, waterbodies, and other special aquatic sites February 2020, and March 2021 in accordance with procedures outlined in the 1987 Corps of Engineers Wetland Delineation Manual in conjunction with the 2010 Regional Supplement to the Corps of Engineers Delineation Manual: Atlantic and Gulf Coastal Plain Region. The findings of the wetland delineation survey are discussed in detail in the wetland delineation report in Appendix E.

The project as designed has the potential to permanently impact (fill) a total of 3.47 acres of wetlands subject to USACE jurisdiction, including 2.81 palustrine emergent (PEM), 0.65 palustrine scrub shrub (PSS) and 0.01 palustrine forested (PFO) (see permit drawings in Appendix B). A completed Preliminary Jurisdictional Determination Request form is included in Appendix F.

4 Avoidance and Minimization

Unavoidable impacts to PEM and PSS wetlands were minimized by constructing adjacent to and abutting existing railroad infrastructure. Additionally, the footprint of the railroad system was reduced such that it is the absolute minimal width suitable for safety and maintenance access; this design further minimized impacts to wetlands.

5 Compensatory Mitigation

The project will result in 3.47 acres of unavoidable loss of wetlands. To account for unavoidable loss of wetland functions and values, GT Logistics is has secured a contract with USACE approved mitigation provider Sea Breeze Mitigation Bank (SWG-2016-00086) for the purchase of a quantity of Functional Credit Units (FCUs) sufficient to offset project related impacts. According to USACE's Regulatory In lieu fee and Bank Information Tracking System (RIBITS), there are no providers of non-forested FCUs in the primary service area for this project. Sea Breeze Mitigation Bank is in the secondary service area for

this project; therefore, GT Logistics anticipates a 1.5 FCU multiplier for project related impacts. It is anticipated that once USACE permitting progresses to the mitigation phase, that GT Logistics will have secured the necessary FCUs from Sea Breeze Mitigation Bank to offset project related impacts.