



Regional Economic Impacts of the Gulf Gateway Carbon Hub Project in Corpus Christi, Texas.

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Prepared for



CARBONVERT™





Executive Summary

Regional Economic Impacts of the
Gulf Gateway Carbon Hub Project
in Corpus Christi, Texas.

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This report presents quantitative estimates of the regional economic impacts of the Gulf Gateway Carbon Hub project to be developed offshore of Corpus Christi, Texas. As a joint venture partnership among Repsol, Carbonvert and Mitsui, Gulf Gateway Carbon Hub has secured lease terms with the Texas General Land Office (GLO) for over 140,000 gross acres of subsurface pore space offshore of Corpus Christi. This initiative aims to capture and store carbon emissions from the Coastal Bend industrial region by injecting carbon dioxide (CO₂) approximately 1.5 miles beneath the Gulf of America seabed.

The construction phase of the Gulf Gateway project involves an estimated \$1.5 billion in capital investments, including expenditures for the design and construction of the Carbon Capture and Storage (CCS) hub, offshore platforms, and pipeline infrastructure. Once construction is complete, the CCS hub will operate with an expected storage capacity of more than 600 million metric tons of CO₂.

CONSTRUCTION PHASE

Including indirect and induced impacts that capture increased economic activity in regional supply chains and other sectors across the region, the project’s construction phase is estimated to generate a total of 13,263 job-years (direct, indirect and induced employment) in the Corpus Christi metro area, which comprises Nueces and San Patricio Counties. The following table displays alternative measures of the total economic impacts (direct, indirect, and induced impacts) in the Corpus Christi metro area during the project’s construction phase:

Economic Impacts from Construction on Corpus Christi (2025 dollars)	Employment 13,263 job-years	Output/Sales \$2.4 billion	Personal Income \$889.7 million
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ANNUAL MAINTENANCE AND OPERATIONS

Including indirect and induced impacts, the maintenance and operations of the Gulf Gateway Carbon Hub project with an estimated 268 direct FTEs are estimated to generate a total of 770 permanent jobs (direct, indirect, and induced employment) in the Corpus Christi metro area.

The following table displays alternative estimates of total permanent (annual) economic impacts on the metro area associated with the regular maintenance and operations of the Gulf Gateway Carbon Hub project:

Economic Impacts from Construction on Corpus Christi (2025 dollars)	Employment	Output/Sales	Personal Income
	770 jobs	\$174.3 million	\$41.9 million

LOCAL TAX REVENUES

The estimated regional business activity and personal income associated with the Gulf Gateway Carbon Hub project are estimated to generate a total of \$42.4 million in local and state tax revenues, including sales and property taxes, for taxing entities in the Corpus Christi metro area.

Upon completion, the Gulf Gateway Carbon Hub’s maintenance and operations are projected to generate \$3.1 million annually in local and state tax revenues. Over a 30-year lifespan of the industrial facilities, the projected local and state tax impact is a cumulative total of approximately \$94 million in 2025 dollars.

State and Local Tax Revenues (2025 dollars)	Construction	Maintenance & Operations	
	\$42.4 million	\$3.1 million (Annual)	\$93.8 million (30 Years)



Introduction

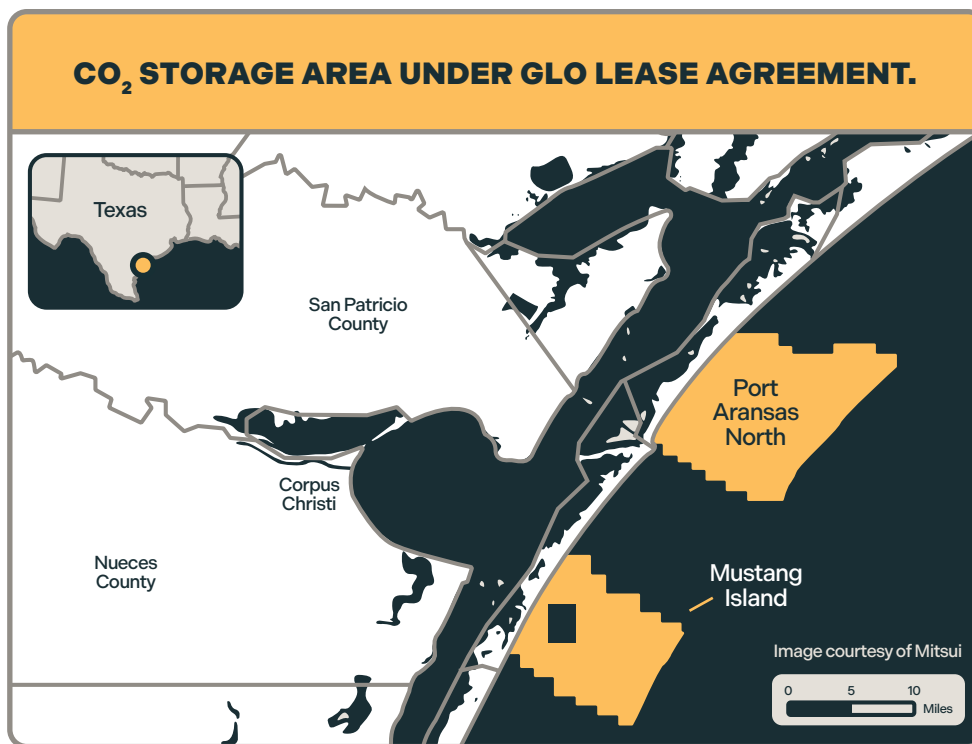
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Repsol, in collaboration with Carbonvert and Mitsui (through its subsidiary MEP Low Carbon Solutions LLC), is developing the Gulf Gateway Carbon Hub project offshore of Corpus Christi, Texas. This initiative aims to capture and store carbon emissions from the Coastal Bend industrial region by injecting carbon dioxide (CO₂) approximately 1.5 miles beneath the Gulf of America seabed.

In 2024, the Texas General Land Office (GLO) and the Repsol-led partnership secured lease terms for two tracts of over 140,000 gross acres (570 sq. km.) of subsurface pore space owned by the Texas Permanent School Fund (PSF) for CO₂ storage offshore of the Corpus Christi metro area.



The subsurface geology of the carbon storage areas is expected to accommodate more than 600 million metric tons of CO₂, allowing for an injection rate of 20 million metric tons annually over a 30-year period. The CO₂ storage hub is located near over 35 million metric tons per year of existing CO₂ emissions from industrial emitters within 100 miles, including the oil and gas refineries and industrial plants near the Port of Corpus Christi, along with an anticipation of more than 20 million metric tons per year from greenfield projects by 2035.



This report presents the key findings of a regional economic impact study for the Gulf Gateway Carbon Hub project. The study was commissioned by Repsol and conducted by Jim Lee, Ph.D. Dr. Lee is Regents Professor of Economics and the founding Director of South Texas Economic Development Center at Texas A&M University-Corpus Christi between 2014 and 2024. He has more than 25 years of experience in economic research and consulting services for businesses across South Texas with the completion of more than 80 economic impact studies for a variety of entities in Texas, particularly the Coastal Bend region.

The findings in this report include estimates for the economic impact of the Gulf Gateway Carbon Hub project development on the regional economy of the Corpus Christi metropolitan statistical area (MSA). Regional economic impacts are measured by full-time-equivalent (FTE) job positions; personal income including wage earnings, benefits, and other household incomes; and gross sale revenues as a measure of business activity created across the Corpus Christi metro area during the project's construction phase as well as its permanent operations. This report also presents state and local tax revenue projections, including sales and property taxes, generated by the estimated changes in business activity and household income associated with the project's construction and operations.

It is important to understand that this study focuses on the impacts of the Gulf Gateway Carbon Hub project on the economy of Corpus Christi in terms of additional economic activity associated with the construction and operation of new carbon storage hub. Other aspects of the project's contributions to the local communities and the rest of the world are beyond the scope of this study. For instance, this project, which will capture CO₂ emissions from point sources of industrial facilities in the Coastal Bend, is critical to the United States' commitment to reaching net-zero emissions by 2050. Its potential environmental benefits in the long run are not assessed in this report. Another aspect of economic benefits beyond the scope of this study arises from capital investment and employment opportunities associated with the construction and operation of carbon capture retrofits for regional industrial facilities that

¹ Rhodium Group, The Economic Benefits of Carbon Capture, October 15, 2020.



Methodology

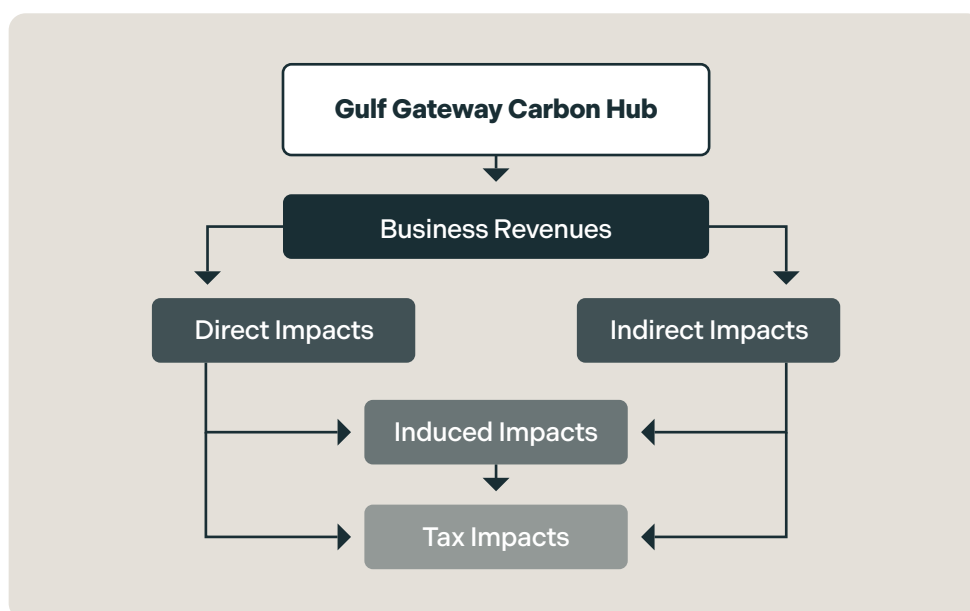
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- Total regional economic impact estimates for the construction phase of the Gulf Gateway Carbon Hub project are computed using the Repsol's capital investments involved. The industrial facilities' projected capital expenditures at \$1.5 billion will first generate a one-time, *transitory* economic impact beginning with the direct impact on the industries of construction and engineering services. Construction for the entire carbon capture and storage (CCS) project, including the CCS hub, offshore injection platforms, and onshore and offshore pipelines, is projected to be completed with nearly 9,000 job years, including employees of local contractors and other business vendors involved in the construction project. One job-year is a full-time-equivalent (FTE) job position that lasts for one year. If the construction phase lasts for five years, then there will be approximately 1,800 FTEs on average ($= 9,000 \text{ jobs} / 5 \text{ years}$) involved directly with the construction project.
- The Gulf Gateway Carbon Hub will be operational once facility construction is complete. In addition to the transitory economic impacts during the construction phase, the operation and maintenance of the Gulf Gateway Carbon Hub facilities would generate permanent economic impacts on the regional economy of the Corpus Christi metro area and its local communities. The Corpus Christi metro area consists of Nueces and San Patricio Counties. The following diagram describes the flow of permanent economic impacts associated with the operation of the Gulf Gateway Carbon Hub project:

SCHEMATIC DIAGRAM
OF REGIONAL
ECONOMIC IMPACTS





- The total economic impacts of the Gulf Gateway Carbon Hub project include direct, indirect, and induced impacts. The quantitative measures of gross business revenues or sales, employment, personal or household income, and local tax revenues are computed using the IMPLAN models configured for the Corpus Christi metro area. Gross business sales volume is a common measure of business activity. Employment impact is expressed in term of FTE job positions. Household income represents the income of all sources received by local residents, including wages, salaries, and benefits. IMPLAN is an industry-wide accepted Input-Output modeling software tool for calculating the regional economic impacts of major industrial projects such as the Gulf Gateway Carbon Hub. When estimating the impacts of a project or an industrial site, IMPLAN considers the interconnection between industries within the study region, namely the Corpus Christi metro area, the supply and demand patterns of goods and services, as well as the interplay between industries and households.
- In addition to the **direct** employment related to the construction and operation of the project, **indirect** impacts occur when local business vendors support the construction activities and operation of the industrial site, such as electrical power and other utilities, as well as industrial engineers (professional services) and office management staff (administrative and project management). These impacts are “spinoff” effects reflecting additional economic activities and sales of local business vendors in multiple rounds of supply chains that support the industrial site’s construction and operation.
- **Induced** impacts are generated initially by the spending of the industrial site’s employees on local goods and services. Following multiple rounds of spinoff effects, these impacts are spread across nearly all sectors of the regional economies in the Corpus Christi metro area. Estimates for indirect and induced impacts are generated using IMPLAN’s multiplier data for the study region.



- Local tax impacts are estimated tax liabilities (e.g., general sales, property and excise taxes that are chargeable to business expenses) to state and local taxing entities, including independent school districts, by local firms and individuals whose revenues and jobs are directly or indirectly associated with the new industrial facilities. This report provides tax impact estimates for taxing entities (local municipalities, counties, and state) by applying the IMPLAN model specifically to the Corpus Christi metro area.

ECONOMIC IMPACTS OF CONSTRUCTION

- The total amount of capital expenditures for the Gulf Gateway Carbon Hub construction project is projected to be \$1.5 billion (2025 dollars). The project development phase involves the design and construction of a CCS hub, several offshore injection platforms, and the installation of onshore and offshore pipelines. In addition to construction laborers and engineers working on the construction sites, there are contractors and employees from other local vendors working directly for the construction project.
- The following table displays alternative measures of the regional economic impacts (direct, indirect, and induced impacts) on the Corpus Christi metro area during the construction phase:²

Construction Impacts: Corpus Christi MSA (2025 dollars)

	Direct	Indirect	Induced	Total
Employment (<i>job-years</i>)	8,983	1,455	2,825	13,263
Output/Sales (<i>mil</i>)	\$1,549.1	\$350.5	\$461.8	\$2,361.3
Personal Income (<i>mil</i>)	\$652.7	\$101.2	\$135.8	\$889.7

² Figures may not sum to totals due to rounding.



- Based on the projection of construction workforce requirements, the Gulf Gateway Carbon Hub project's construction phase is expected to generate a **direct** regional economic impact of \$1.5 billion, 8,983 full-time-equivalent (FTE) job-years, and \$652.7 million in personal or household income earnings across the Corpus Christi metro area.
- Including indirect impacts on local supply chains associated with the construction project and induced impacts on the rest of the regional economy, the total economic impacts are estimated to be approximately **\$2.4 billion in business sales activity, 13,263 job-years, and \$889.7 in personal income for the Corpus Christi metro area**. If the construction phase lasts for five years, then the annual employment impact will be an average of **2,653 jobs each year** (= 13,263 FTEs / 5 years).

The projected impact on local businesses, employment, and household income supports an estimated total of **\$42.4 million in local and state tax revenues** across the Corpus Christi metro area.



PERMANENT ECONOMIC IMPACTS OF MAINTENANCE & OPERATIONS

- The Gulf Gateway Carbon Hub industrial facilities will be operational once construction is complete. The following table presents alternative estimates for the direct, indirect, and induced impacts of the maintenance and operations of the CCS hub and other CCS facilities, including the injection platforms and pipeline infrastructure in the region. The figures represent permanent impacts that will repeat each year over a typical 30-lifespan of industrial facilities.

Annual Economic Impacts of Operations: Corpus Christi MSA (2025 dollars)

	Direct	Indirect	Induced	Total
Employment (FTEs)	268	157	346	770
Output/Sales (mil)	\$75.2	\$37.0	\$62.0	\$174.3
Personal Income (mil)	\$20.8	\$7.8	\$13.2	\$41.9

- The Gulf Gateway Carbon Hub project is projected to be operated with a total of 268 direct employees, including local contractors and other business vendors hired by the project team. The total regional economic impact of the Gulf Gateway Carbon Hub project's maintenance and operations, including indirect and induced effects, is an estimated **\$174.3 million in annual business sales activity, 770 jobs, and \$41.9 million in annual personal income for the Corpus Christi metro area.**
- The impact on local businesses, employees and household income, in turn, generates an estimated total of **\$3.1 million in local and state tax revenues each year** in the Corpus Christi metro area. For a typical 30-year lifespan, the Gulf Gateway Carbon Hub is projected to generate a cumulative total of **\$93.8 million in 2025 dollars.**



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