

Explosives maker Dyno Nobel breaks ground on \$850 million ammonia plant in Waggaman

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Gov. Bobby Jindal meets with workers in 2012 before announcing that Dyno Nobel International, an explosives maker, was considering building an ammonia plant near Waggaman. (Michael DeMocker, *The Times-Picayune*)



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Explosives maker Dyno Nobel International is moving forward with construction of an \$850 million ammonia manufacturing plant in Waggaman, Gov. Bobby Jindal and company officials announced Monday. The plant, slated to begin production in 2016, will be inside Cornerstone Chemical Company's 800-acre complex on the Mississippi River.

Cornerstone Chemical will undertake \$175 million in upgrades and infrastructure expansions at the site.

The project will create 65 jobs -- 60 employees of Cornerstone Chemical and five employees of Dyno Nobel -- with an average annual salary of \$55,700, according to a news release from Jindal's office.

Jindal joined with executives of both companies for a ground breaking ceremony in Waggaman on Monday morning, according to a news release from Jindal's office. The companies began discussions about the project with Louisiana economic development leaders in 2011.

"Today's groundbreaking launches an important manufacturing project for Louisiana's economy that will continue helping us compete in the global marketplace," Jindal said in the news release. "These companies collaborated here because they recognize the great value and reward of investing in Louisiana and our extraordinary work force and infrastructure."

The new plant will have the capacity to produce 800,000 metric tons of ammonia every year.

Dyno Nobel, based in Salt Lake City, Utah, plans to use the ammonia to make explosives at its plants elsewhere, company officials have said. The firm, founded by dynamite inventor Alfred Nobel in the 1800s, makes explosives used in industrial applications, such as mining and at quarries, and touts itself as the largest supplier of explosives and related services in North America.

"This site at Cornerstone Chemical met our needs for a number of reasons: a competitive gas price, a responsive government regulatory process, a brownfield site and a professional business environment which combined, makes for a compelling investment in Louisiana," said Paul Brashcer, chairman of Incitec Pivot, which owns Dyno Nobel. "This plant will be the benchmark, the standard to which others hold themselves. Waggaman will be the place where other companies come to learn how to operate one of the safest and most-efficient ammonia production plants in the world."

Meanwhile, Cornerstone Chemical will also obtain ammonia from Dyno Nobel for its plant rather than from overseas sources, officials have said. An ammonia plant was previously on the site but closed a decade ago.

"This project will be the first new ammonia plant built in the state in over 25 years and is a shining example of the changes in Louisiana made possible by the advent of shale gas and a growth-oriented state government," Cornerstone Chemical Company CEO Greg Zoglio.

Jindal's office said the total \$1 billion project will create an additional estimated 477 indirect jobs and 750 construction jobs over the next three years.

To secure the deal, the state offered incentives through Louisiana's industrial tax exemption and the Quality Jobs program, which provides a 5-or-6-percent cash rebate of annual gross payroll for new direct jobs for up to 10 years.

Cornerstone Chemical was offered a \$3 million modernization tax credit under a program that provides a one-time 5 percent refundable state tax credit on capital expenditures for manufacturers.

http://www.nola.com/business/index.ssf/2013/08/explosives_maker_dyno_nobel_br.html