

ENERGY WIRE

Firing roils Texas LNG 'company town'

By MIKE SORAGHAN | 10/23/2025 06:54 AM EDT

The town administrator's termination is bringing fresh scrutiny to tax breaks for the Freeport liquefied natural gas facility.



The Freeport liquefied natural gas facility in Texas. Freeport LNG via Business Wire

Freeport LNG, one of the nation's largest natural gas export terminals, has reaped hundreds of millions of dollars in state and local tax incentives over the past decade.

One of those tax breaks is now under scrutiny in Texas following the firing of a small-town official who'd suggested it was time to demand more money.

Tammi Cimiotta had been administrator for the tiny beach town of Quintana, Texas — population 25 — which sits in the shadow of the massive plant. She has charged that she was fired last spring by “corrupt” town council members who are employed by Freeport LNG or have financial ties to the company.

“It's because they work there,” Cimiotta told POLITICO's E&E News in a recent phone interview. “They were scared to lose their job. If they'd voted on it, I guess, they had to answer to their boss.”

A [federal lawsuit she filed](#) over the summer also says the mayor and several of the council members who voted to fire her don't live in Quintana, as required by law.

The lawsuit's allegations of a “property-tax avoidance scheme” orchestrated by Freeport LNG raises questions about how liquefied natural gas export plants lining the Gulf Coast maintain their tax incentives years after they've become operational and often profitable.

A [2023 analysis of tax breaks](#) in the terminal's home county of Brazoria — commissioned by critics of the company — said governments had given away tax breaks of nearly \$2.2 billion over 10 years, with about half of that going to Freeport LNG, often referred to as FLNG. The study, done for a group called Better Brazoria, said FLNG's tax breaks add up to \$6 million for each promised job.

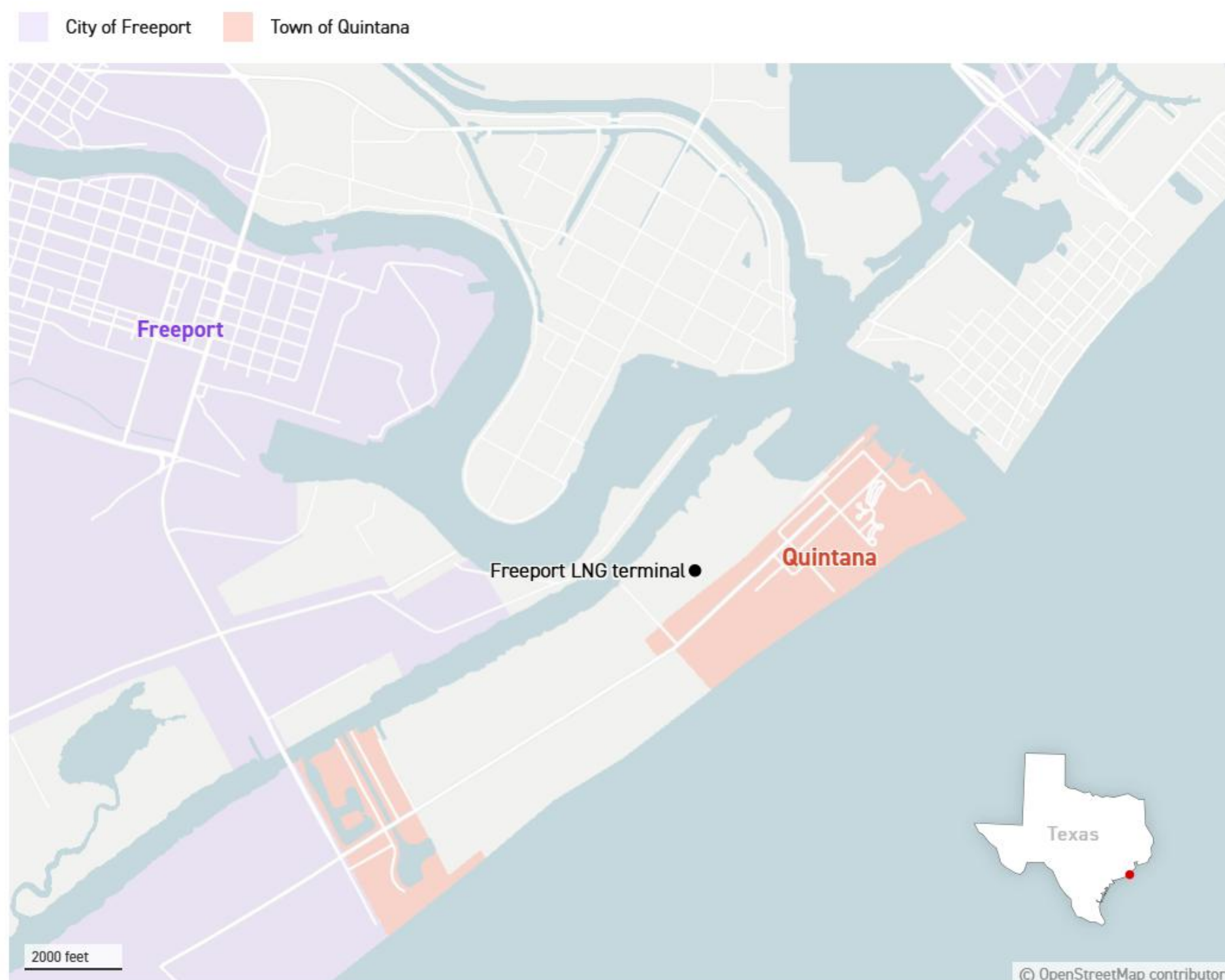
More broadly, six of the giant terminals in Louisiana and Texas that have begun exporting gas in the past 10 years have been granted more than \$20 billion in tax breaks, according to [data compiled and released last year](#) by the Sierra Club and local environmental groups. The groups said the subsidies siphon off money from schools, hospitals and road repairs to address the traffic they create.

Many other communities could soon be making similar decisions about giving up tax revenue in exchange for coastal development. The U.S. Energy Information Administration said recently that [North American LNG export capacity](#) could more than double by 2029. That would include some of the dozen or so U.S. LNG terminal projects that are on the drawing board or under construction.

And the attention could spell more trouble for FLNG. It has been beset in recent years by repeated operational problems, including [an explosion in 2022](#) that shut the plant for eight months and was attributed by experts in part to “hubris.”

The tiny beach town of Quintana, Texas, sits in the shadow of a giant natural gas export terminal owned by Freeport LNG

Freeport LNG terminal



Source: Datawrapper, OpenStreetMap
Claudine Hellmuth/POLITICO

Council members did not respond to requests for comment. Neither did town attorney Alan Petrov. In a brief phone interview earlier this month, Quintana Mayor Mike Cassata said he could not discuss the situation.

"I really can't talk to you about that right now," he said.

Cimiotta's filings deploy words such as "racketeering," "[conspiracy](#)" and "[bribery](#)." Attached to the lawsuit are records of Cassata's \$1 million house more than 100 miles away, the property tax exemption he gets for calling it his primary residence and the beach house he rents in Quintana from FLNG.

Other documents show that various council members, past and present, work for the company, list their addresses as company-owned beach houses, or live outside Quintana.

But while the filings and documents raise red flags about conflicts of interest, the lawsuit specifies no overt actions taken by the company to instruct council members on how to vote. FLNG and the town of Quintana highlighted that in motions asking to be dismissed from the litigation.

"Not one paragraph identifies a conversation Freeport LNG had, a document Freeport LNG sent, a decision Freeport LNG made, or a single act Freeport LNG took," the company said in its motion.

The [town's motion to dismiss](#), filed last week, said "Cimiotta does not allege any facts showing a meeting of the minds."

FLNG spokesperson Heather Browne declined to comment beyond court filings but said in an August statement [to the local newspaper](#), called *The Facts*, that the allegations against the company were "baseless" and "completely false."

'A peaceful retreat'

The Center for LNG, a trade group, declined to comment on questions about tax breaks for export terminals. But when the Sierra Club study came out last year, the group issued a statement to [the news site Floodlight](#) saying LNG terminals "support 222,450 jobs, resulting in \$23.2 billion in labor income, contribute \$43.8 billion to U.S. GDP and generate \$11 billion in tax and royalty revenue."

The question, though, is whether governments really need to use tax giveaways to enjoy those benefits, said University of Texas at Austin professor Nathan Jensen. Businesses that are rooted in a particular location like a port, he said, often don't need tax incentives to stay.

"These kinds of projects are the exact kind of investments you should be able to tax way more and not have to get as much incentive," said Jensen, who studies government economic development strategies. It makes sense, he said, for a government in Quintana's situation to reconsider whether a tax break should be extended.

"That's pretty sound logic to at least reevaluate it," he said.

FLNG is a privately held company founded in 2002 by Michael Smith, who has a net worth of about \$3 billion, [according to Forbes](#). Smith, the chair and CEO of the company, has homes in Miami and the Hamptons, according to Forbes, and his 2018 purchase of a mansion in Malibu, California, [was reported by The Wall Street Journal to be the most expensive](#) single-family residential sale in the country that year at \$110 million.



Michael Smith of Freeport LNG spoke earlier this year at the CERAWEEK energy conference in Houston. | CERAWEEK by S&P Global

Despite its name, FLNG is not actually in the city of Freeport, a relatively small industrial port city about 65 miles south of Houston surrounded by petrochemical plants.

Instead, the terminal sits on a man-made island that was sliced off the mainland in the 1920s by the digging of the Intracoastal Waterway. The incorporated town makes up only a small part of the island, also commonly called Quintana.

The town has always been small, long having fewer than 100 full-time residents. In 2010, the U.S. Census Bureau estimated a population of 89. A Forbes profile deemed the 2002 version of the town to be [“a few dozen dilapidated homes.”](#)

By contrast, the town’s [official website calls Quintana](#) a “charming coastal community” that has “evolved into a peaceful retreat.” But the bucolic description skips past the evolution of the industrial giant next door.

For some, the beach town was a haven from the petrochemical zone in and around Freeport. But industrial operations made the leap across the waterway in the early 2000s when FLNG opened as a natural gas import terminal on Quintana Island.

At the time, the United States was thought to be running low on natural gas reserves and national leaders said gas needed to be imported to help heat American homes and support economic development.

A domestic shale drilling boom changed all that, leading to a burgeoning gas export industry in the United States. On Quintana, FLNG's shift to exports spurred a massive expansion and brought operations to the doorstep of Quintana's beach houses.

'Common sense'

Today, three production lines compress natural gas into a liquid by cooling it to minus 260 degrees Fahrenheit. Another production unit, or train, is in the plans. Tankers the size of aircraft carriers dock at the site to fill their holds with the cryogenic methane and ferry it to Europe and Asia.

Many beach residents didn't want to live next to a giant industrial plant handling tons of flammable chemicals. FLNG has bought many of the beach houses. Some of the homes were torn down, others filled with FLNG employees. The Census Bureau said the population last year was down to 25. Cimiotta's attorney, Clay Thomas, likened it to a "company town."

In the town election last May, eight people voted. That's barely more than the number of elected officials serving the town — five council members and the mayor.

FLNG has added at least \$12 billion in capital improvements to its facilities on Quintana Island since 2010, according to the lawsuit. That could have meant a big tax bonanza for Quintana, if the land under the terminal was still within the town limits.

But in the early 2000s, when FLNG was working toward construction of the gas import plant, the council agreed to de-annex a portion of the northern half of Quintana. In exchange for the loss of property tax revenue, [the company agreed to make](#) escalating annual payments to the town, starting at \$1.25 million and pegged to inflation. It is currently about \$1.4 million.

A year or so ago, Cimiotta said she began to wonder why the escalating payments had escalated so little over the years. She asked Petrov, the town attorney. He researched it, she said, and told her that there was a "glitch" in the complex formula. Quintana, she realized, should be getting more money.

The agreement can be renegotiated annually, said Cimiotta, who had worked for the town since 2013. If they do nothing, the previous agreement stands. But the town can decide not to renew the contract, then re-annex the land and start levying taxes again.



Quintana Mayor Mike Cassata is shown. | Town of Quintana, Texas

She told council members the agreement needed to be renegotiated, she said, and repeatedly put the issue on the town council's agenda for monthly meetings.

It seemed like "common sense" to renegotiate the agreement if town leaders knew Quintana was being shortchanged, Cimiotta said. But she said she now realizes she was putting some of the council members' loyalties to the test.

Cassata, the mayor, confirmed in his brief interview that he is a contractor for FLNG. He said he lives in Quintana, despite owning a home well north of Houston.

Another council member, Rebecca Button, works for FLNG as a "senior regulatory affairs specialist" at FLNG, according to the lawsuit and her LinkedIn page. And former Mayor Shari Lynn Wright, who was serving when the effort began to oust Cimiotta, is a regulatory training coordinator at the company, according to her LinkedIn page.

Attempts to reach Wright for comment were unsuccessful. Attempts to reach each of the five council members individually were also unsuccessful. Wright did not run for reelection this year and was succeeded by Cassata in May.

Another council member, Steve Alongis, has been paid in the past to do landscaping for the company, according to the suit and, according to documents attached to the lawsuit, has sold at least three homes to FLNG entities.

‘Are you kidding me?’

Two council members list their address as a 546-square-foot beach house on Gulf Street in Quintana. But one of them claims residence for tax purposes on a home in nearby Surfside Beach, and the other lists a separate Surfside Beach address on her driver’s license, according to documents filed with the lawsuit.

Cimiotta said that Wright, who was then mayor, and the council members who work for FLNG told her privately and publicly that the town needed to be “fair” with the company. She said she found this annoying, but it didn’t cause her to worry about losing her job.

“I’m thinking, ‘Are you kidding me? You’re supposed to be here for the town’s interest,’” she said. “You’re talking about being fair to a billion-dollar company.”

A [published report listed the value](#) of FLNG as about \$10 billion, based [on a 2021 transaction](#). Another [transaction last year](#) supported that estimate.

Things started coming to a head in Quintana this year as the town’s May election loomed.

In a March meeting, according to the suit, Cimiotta told the council members they should renegotiate FLNG’s annual payment to the town, or if that failed, re-annex the plant and start collecting property taxes. Cimiotta’s lawsuit said the town could get another \$17 million from the company, “in the legal extreme.” But she said, hypothetically, she would have “tried at least for \$3 million a year.”

When the issue came up again in April, the town attorney told the council he’d spoken with an FLNG lawyer who “doesn’t sound too interested in doing anything” about the tax agreement, according to minutes posted online.

The town attorney suggested an in-person meeting with FLNG. But that night, after a closed-door session, the council voted instead to hold a “special meeting” the next week about Cimiotta.



A playground is pictured near storage tanks for Freeport LNG's export terminal in 2023. | Shelby Webb/POLITICO's E&E News

At that special meeting, the council voted 3-2 to suspend Cimiotta from her \$180,000-a-year job. Cimiotta said it came after a closed-door session during which she could hear a lot of yelling.

She said she was “blindsided” when she returned to the meeting room and council members voted without further discussion to push her out.

“Nobody would even look at me,” she recalled. “And I’m like, ‘Wow.’ You would expect that kind of a reaction, maybe from a serial killer. But these are people I’ve been around for years.”

In her lawsuit, Cimiotta argues the vote violated Texas open meetings law because the council had not given proper notice that it would be meeting. Minutes show that on June 3 the council formally fired Cimiotta “for Lack of Confidence.” She said the town was struggling to get the procedure correct for firing people.

“I think I got fired three times in three months,” she said.

Whatever the reason given by council members, Cimiotta argues in her suit that she would not have been fired if she hadn’t spoken up about the town’s financial relationship with FLNG. Cimotta said she had a contract that allowed for her to be terminated only “for cause,” and that she was not afforded due process. In its recent filing, the town said Cimiotta did get the due process required.

The financial agreement between Quintana and FLNG remains unchanged.