



**PORT  
FREEPORT IS  
GROWING**

**Bigger, Deeper, Wider**

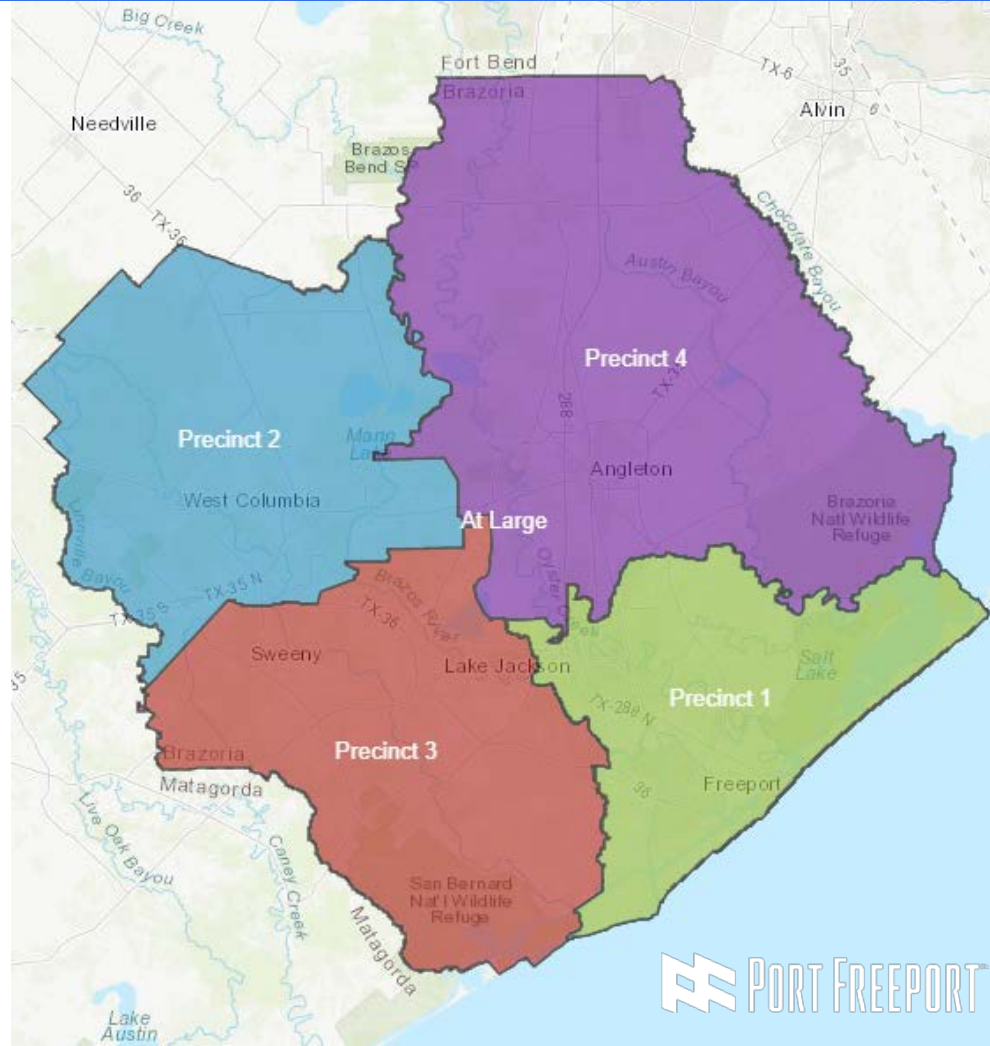
# About Port Freeport

- Government entity created by voters in 1925
- Local sponsor for the Freeport Harbor Channel and engages with the U.S. Army Corps of Engineers
- Significant responsibilities include investment in infrastructure and cargo handling improvements and the associated financing



# About Port Freeport

- Port Freeport Commission oversees growth and innovation
- Six Commissioners elected to six-year terms by Navigation District voters
- Commissioners serve in staggered terms, with two Commissioners elected/re-elected every two years



# Port Freeport Commissioners



**Paul Kresta**  
Chairman



**John Hoss**  
Vice Chairman



**Shane Pirtle**  
Secretary



**Bill Terry**  
Asst. Secretary

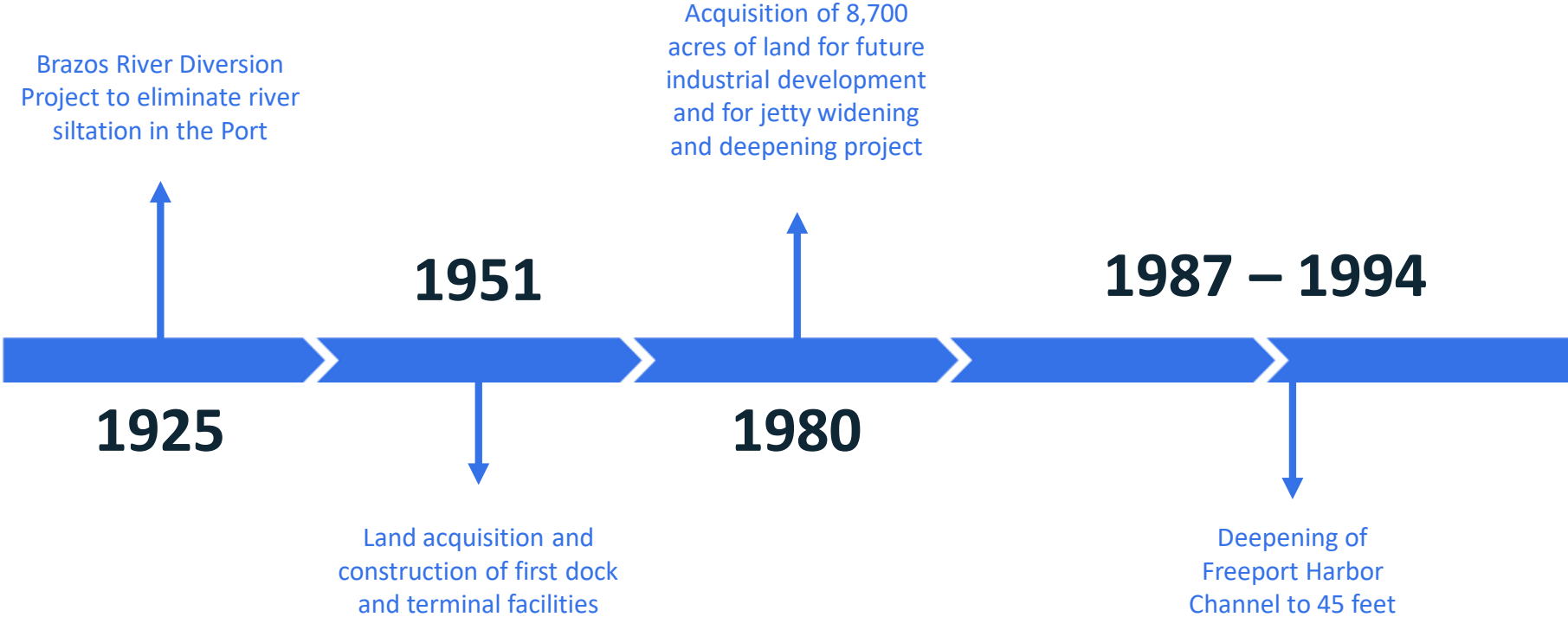


**Rudy Santos**  
Commissioner

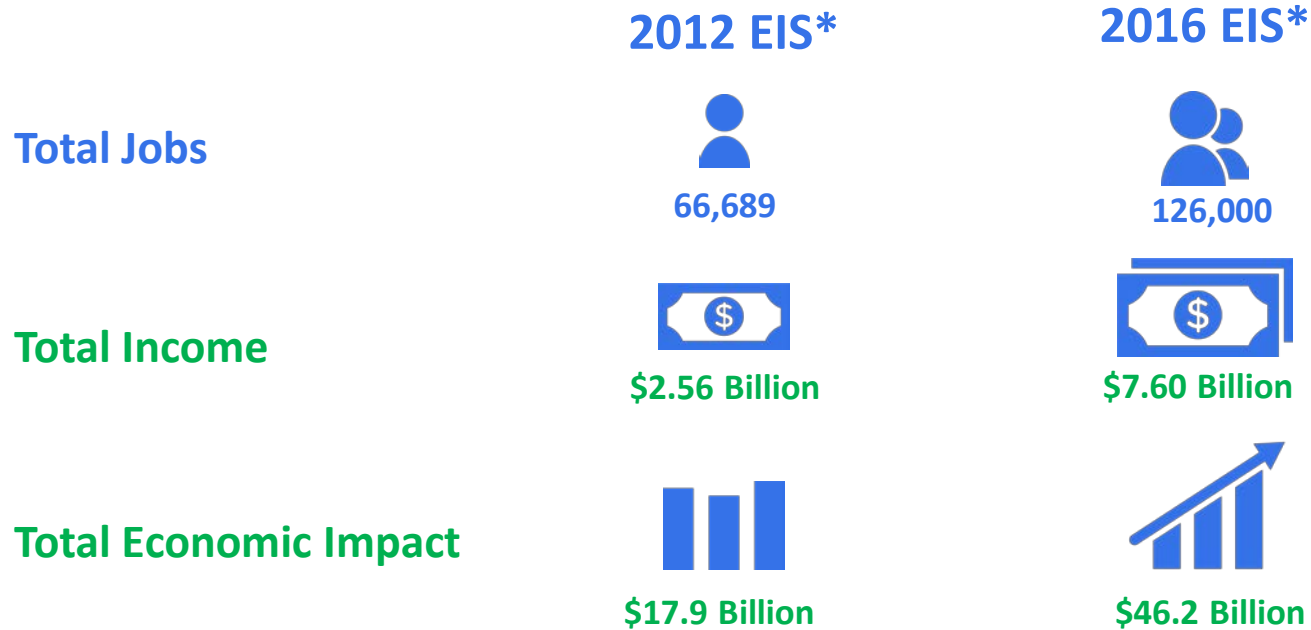


**Ravi K. Singhania**  
Commissioner

# Port Freeport: History of Tax-Payer Support



# Port Freeport is Growing Exponentially



**DOUBLED since 2012**

\* Texas A&M Transportation Institution (TTI) Study

# Port Freeport Ranking

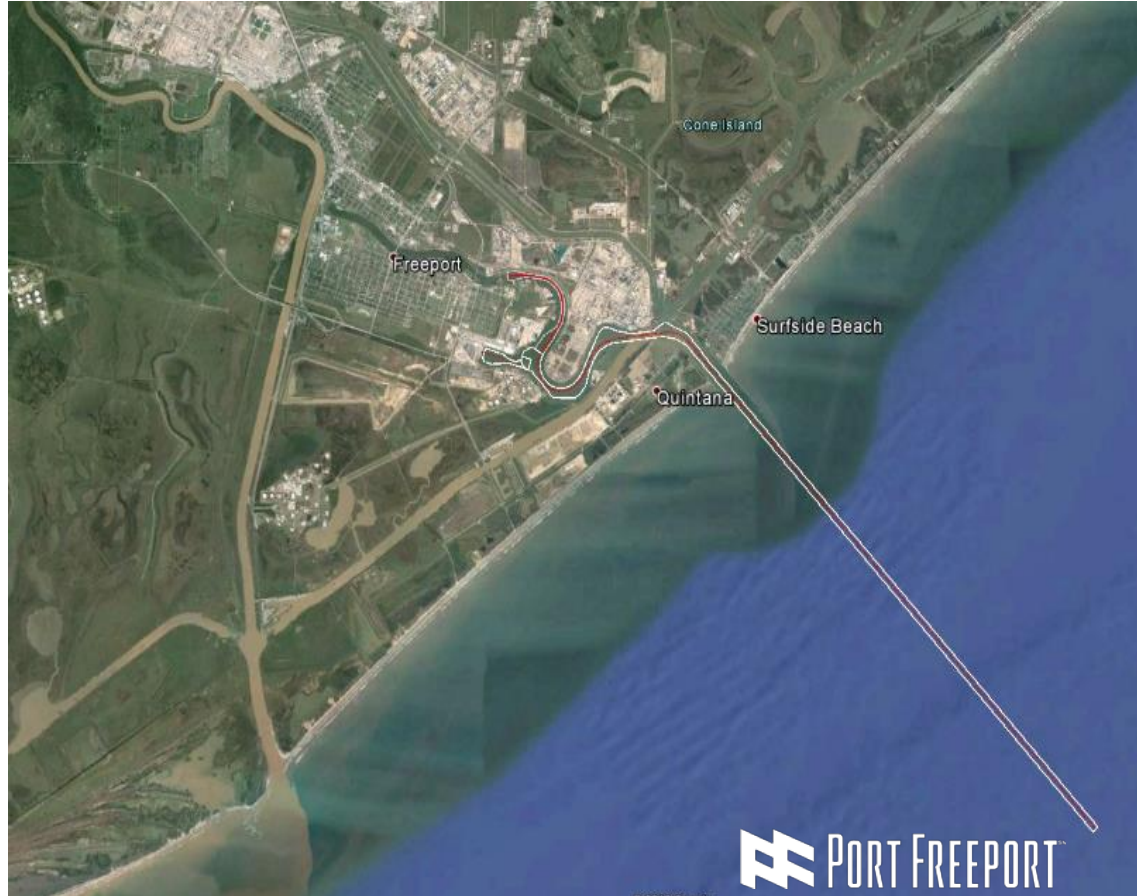
- Top 10 Fastest Growing U.S. Ports for Exports – Forbes Magazine
- 10<sup>th</sup> in Chemicals
- 26<sup>th</sup> in Containers
- 23<sup>rd</sup> in Total Tonnage



# 45' Deepwater Channel

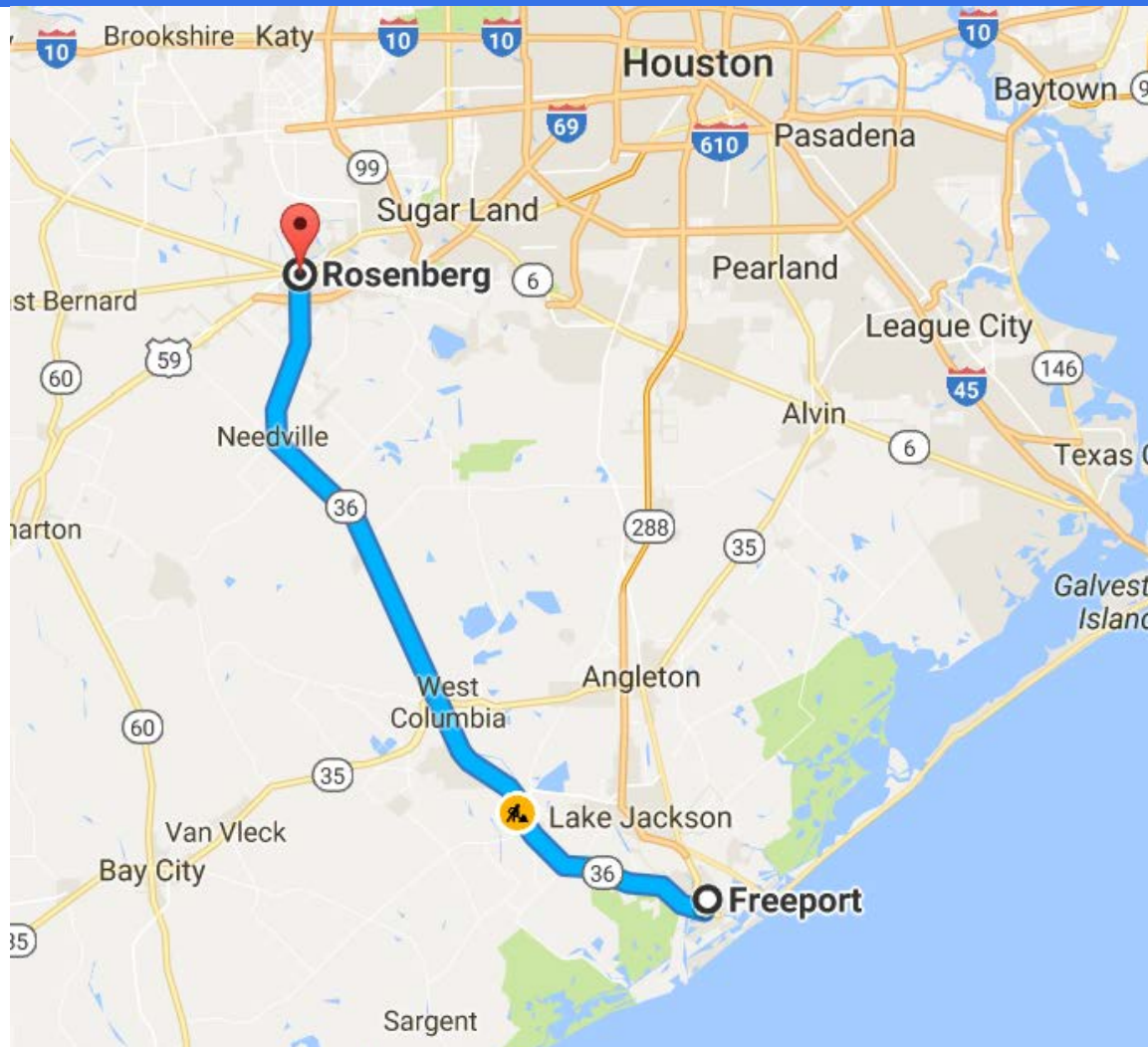
7.5 Miles from Deep Water  
to the Inner Harbor

- Shortest Deepwater Channel on the Texas Coast
- Low Maintenance Dredging Cost





**Close proximity to  
growing consumer  
markets**



# Port Freeport: Vessels and Tonnage

- More than 900 vessels per year call Port Freeport
- Approximately 17 million tons of cargo transported annually
- Vessel calls forecasted to increase approximately 25% over next 4 years



# Port Freeport Supports Business:

- Privately owned and operated marine terminals
- Public dock facilities managed by the Port



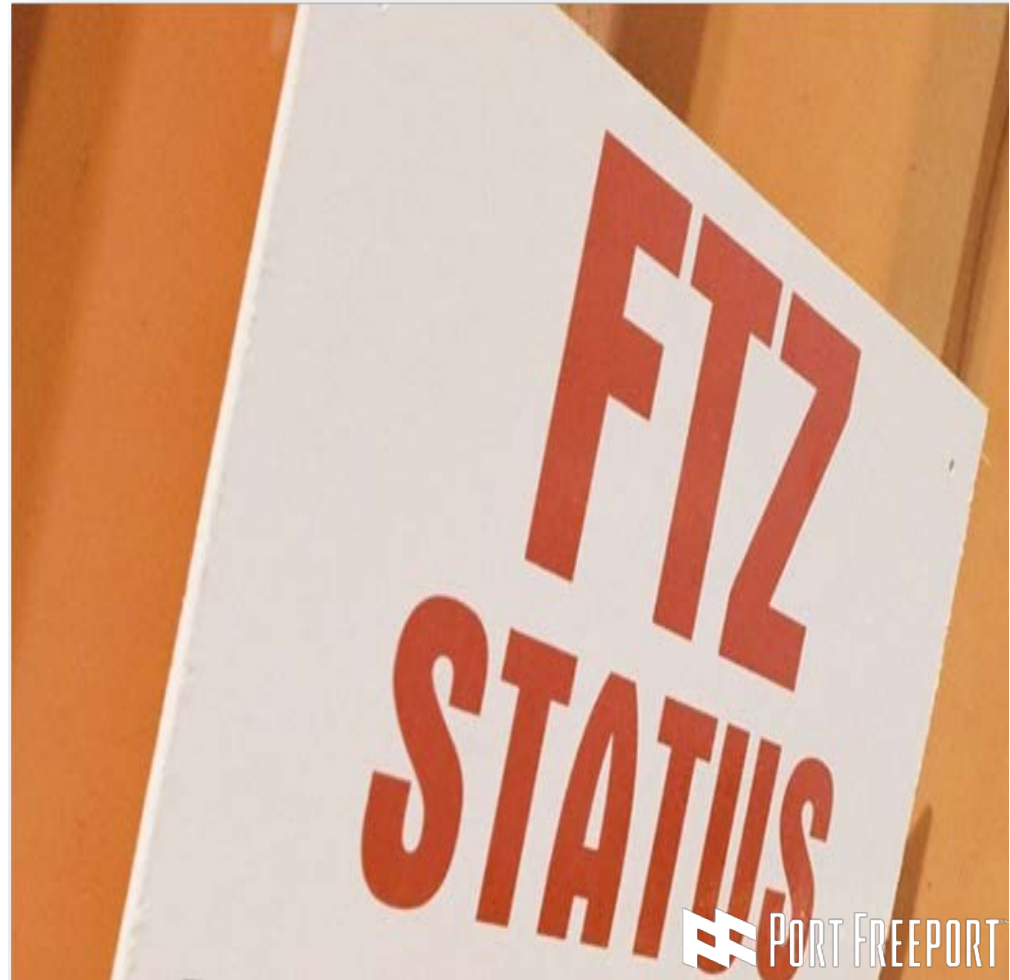
# Unprecedented Growth in Brazoria County

More than \$26 billion  
invested in new  
production facilities



# Foreign-Trade Zone

- Encompasses Brazoria County and Fort Bend County.
- Allows firms to defer or even eliminate Customs duties on imported goods
- Helps zone users enhance their competitiveness while supporting local business development



# Strategic initiatives supporting Port's Vision:

- Freeport Harbor Channel deepening and widening
- Buildout of the Port's Container Handling Facilities
- Development of rail-served warehousing and distribution facilities
- Supporting development of a rail and highway transportation corridor from Freeport to Rosenberg



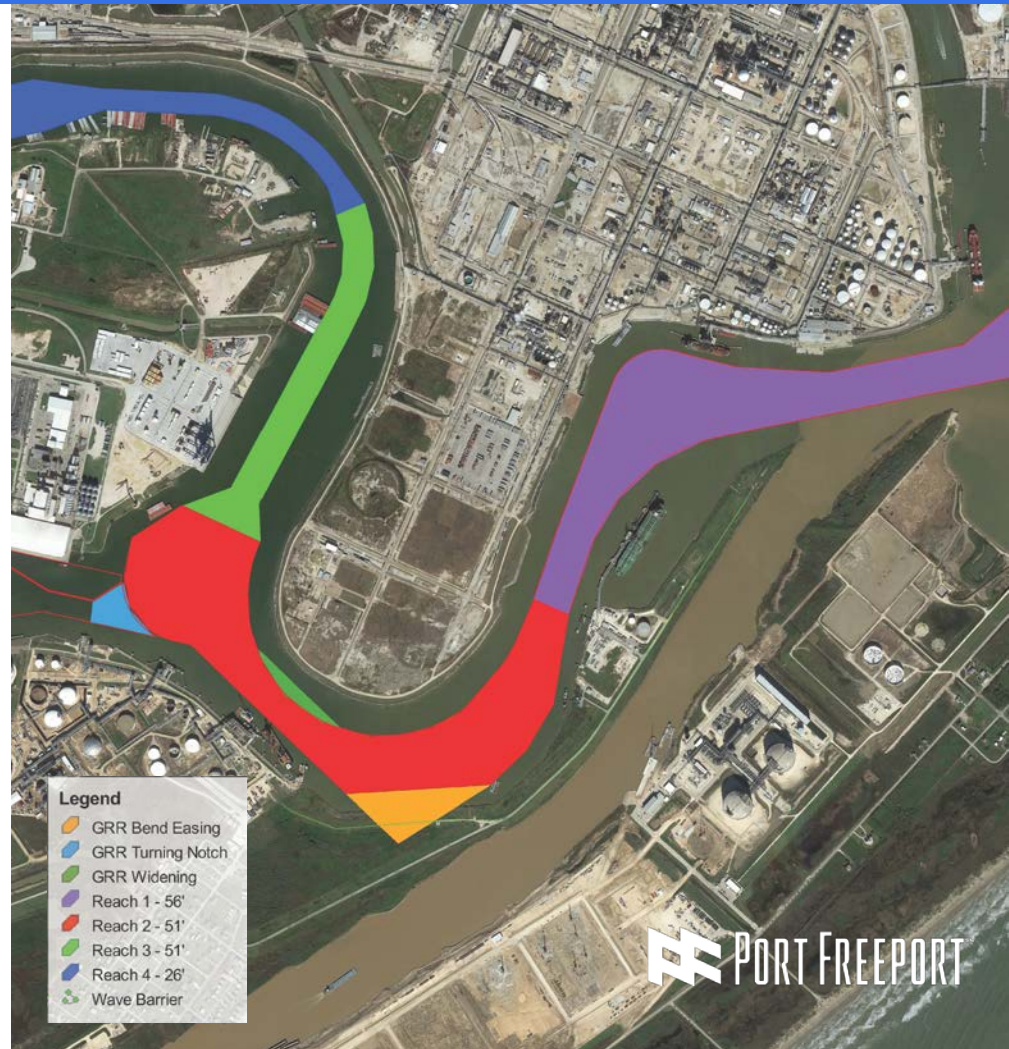
# Freeport Harbor Channel Improvement Project

## Deepens the channel

- Current depth – 45 feet
- Project depth – 51-55 feet

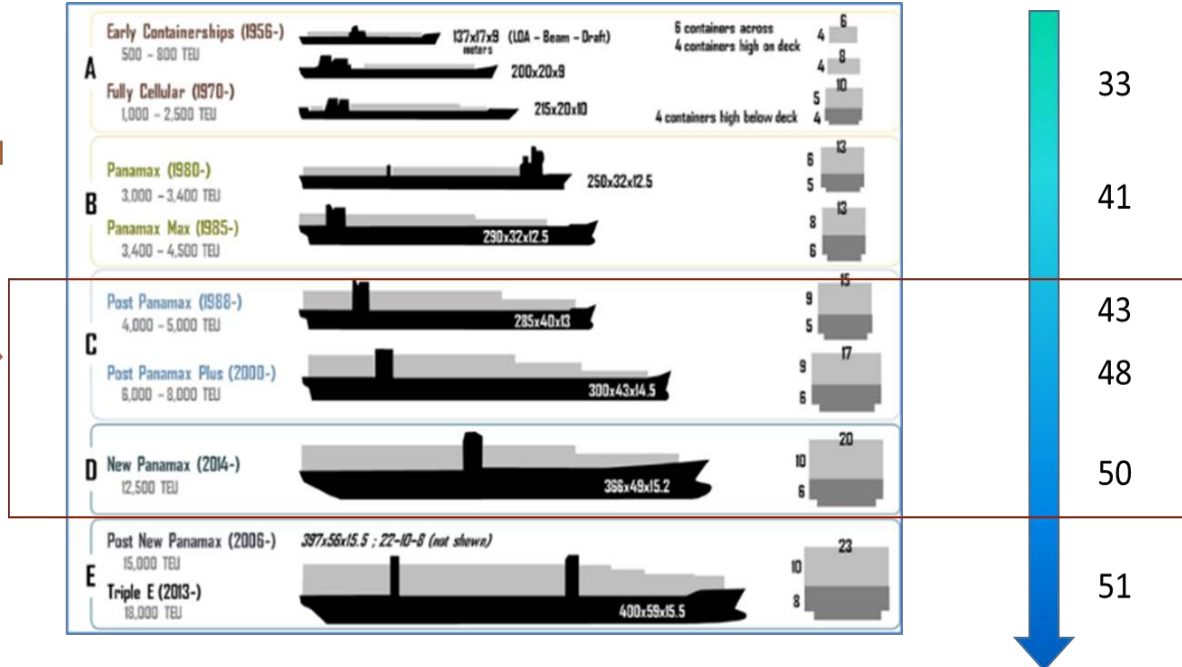
Port Freeport will be the

Deepest Port in Texas



# Freeport Harbor Channel Improvement Project

Improves navigation for modern ships



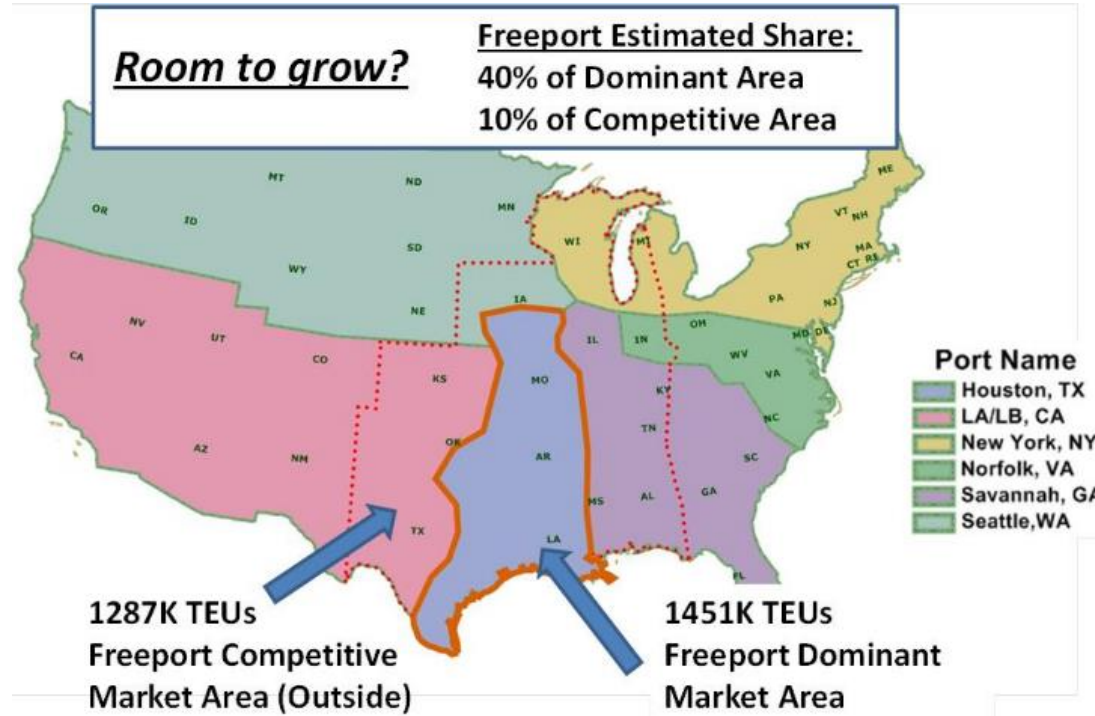
Capacity of New Panamax ship increases 2-3 times and requires 48-51 feet draft.



# Competitive Balance Shift



*After Panama Canal Expansion*



*The Competitive Balance with the West Coast Ports will change dramatically if a South Texas port has 50 feet of water and an effective inland distribution network*

**A deeper channel  
and navigation  
improvements will  
expand the Port's  
capacity and  
customer base**

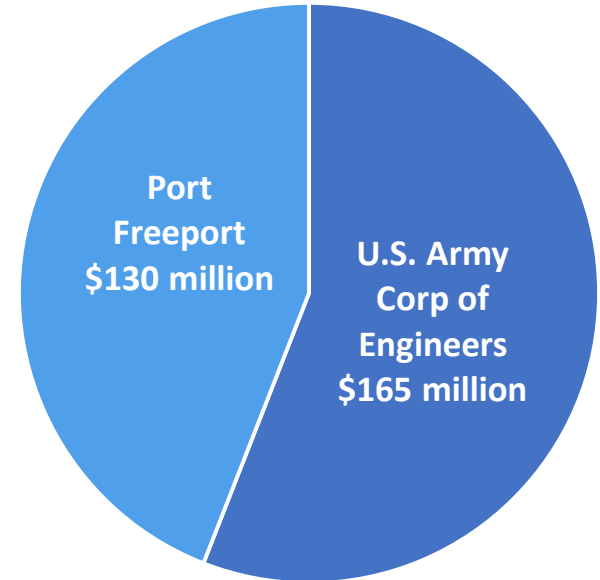


# Freeport Harbor Channel Improvement Project

Federal cost-shared project authorized by Congress in 2014

More than half of the Channel Project is expected to be paid with federal funds

Total Cost to Construct  
\$295 Million



# Local Election – May 5, 2018

## Port Freeport – Proposition A

- FOR
- AGAINST
- ”THE ISSUANCE OF \$130,000,000 OF BONDS FOR THE PURPOSE OF IMPROVING, CONSTRUCTING, OR DEVELOPING THE FREEPORT HARBOR CHANNEL IMPROVEMENT PROJECT, AND THE LEVYING OF THE TAX IN PAYMENT THEREOF”

As a government entity, Port Freeport must have voter approval to issue bonds for capital improvement projects.



The bond package is intended to be accomplished without an increase in the Port's total tax rate.



# Port Freeport's Current Tax Rate - \$0.0401

Maintenance and Operations (M&O)\* – 3 cents



Debt Service\*\* – 1 cent



\*M&O – Annual operating expenses

\*\*Debt Service – Annual principal and interest for voter-approved bonds.

# Proposed Tax Rate with Bond Package - \$0.0401

Maintenance and Operations (M&O)\* – 1 cent



Debt Service\*\* – 3 cents



# Velasco Terminal Expansion



## Phase 1 (Current)

- ✓ 26 Paved Acres
- ✓ 2 STS ZPMC Post-Panamax Gantry Cranes
- ✓ 800' berth with 47' operational depth

## Phase 2 (\$125 MM)

- ✓ Permit Application Filed with USACE - September 2016

- Phase II Berth Extension (800')

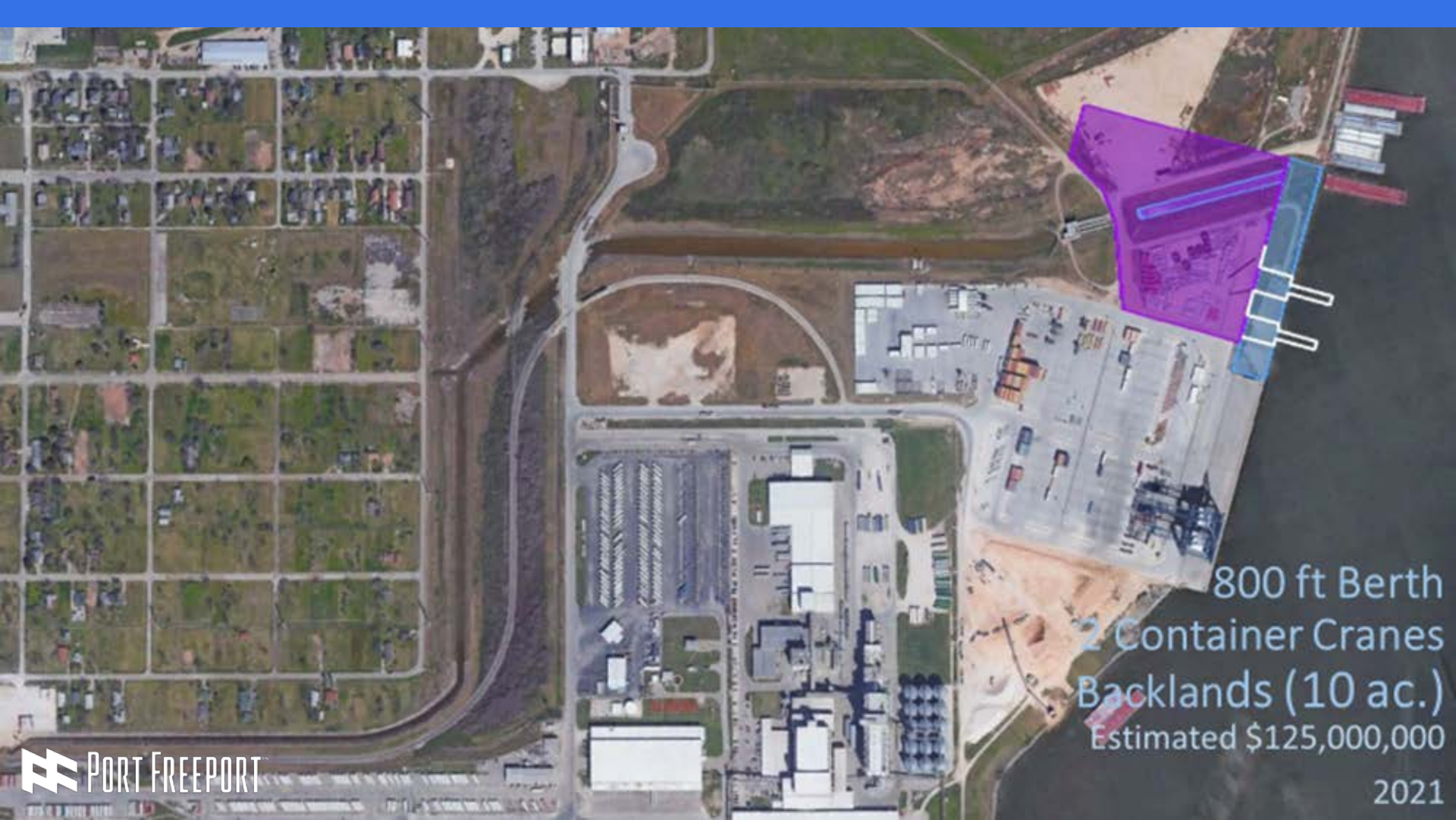
- 2019 Commencement
- 2021 Completion

- Phase II Backland Stabilization

- 2019 Commencement
- 2020 Completion

- Purchase 5 STS Post-Panamax Gantry Cranes - 2021





800 ft Berth  
2 Container Cranes  
Backlands (10 ac.)  
Estimated \$125,000,000





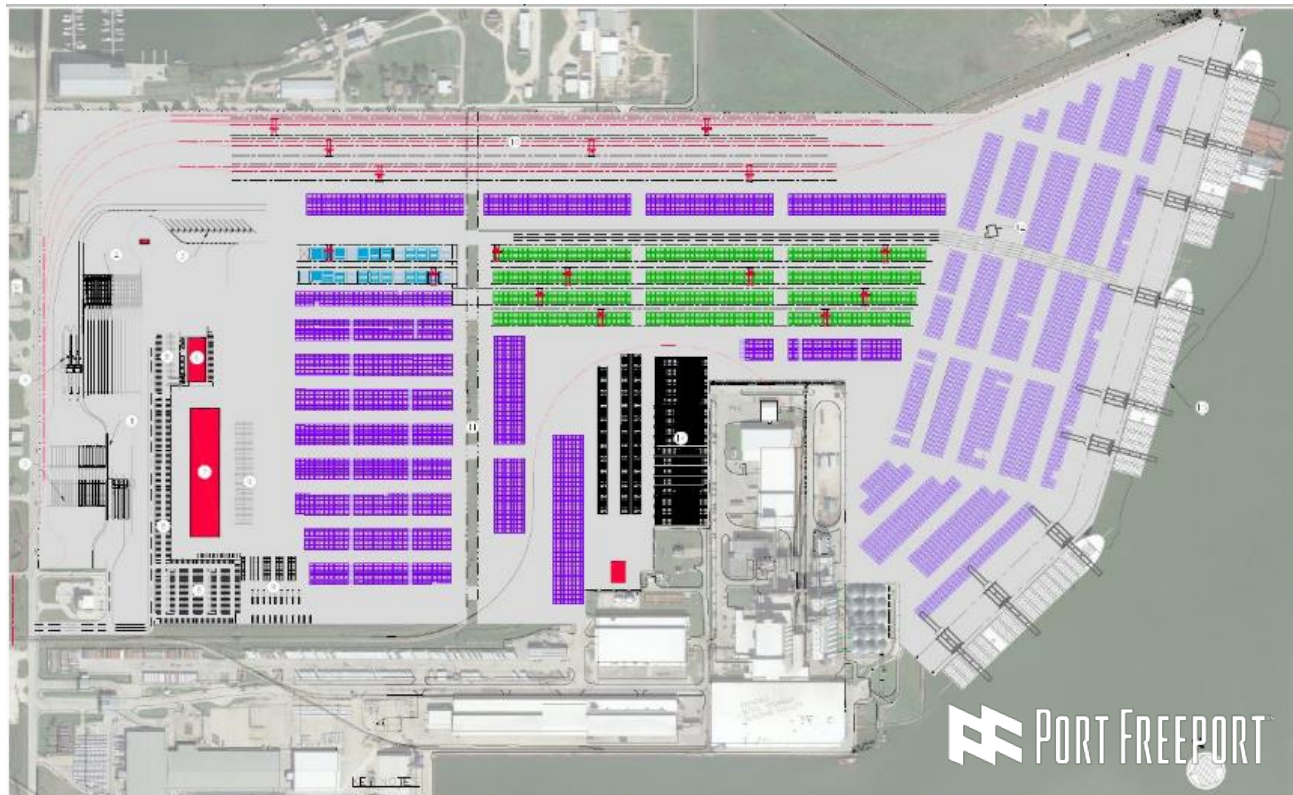
800 ft Berth  
Container Cranes  
Backlands (27 ac.)  
Estimated \$125,000,000

# Future of Container Terminal

- Phase 3 (As Envisioned - \$200MM +)

- 250 Paved Acres
- 9 Post Panamax Gantry Cranes
- 3,600' Berth with 50' Operational Depth
- On Dock Rail
- High Density Configuration

1,500,000 Lift Capacity



DRAFT

① RECEIVING CRANE	③ DELIVERY FEEDRAYS	④ EQUIPMENT PARKING	⑤ 4000 TON CRANE	⑦ REP-HANDLER BRANDED CONTAINERS
② RECEIVING FEEDRAYS	④ ADMINISTRATION BUILDING	⑤ INTERNAL YARD	⑥ CRASSO PIT	⑧ REP-HANDLER BRANDED CONTAINERS
③ TRUCK PARKING	⑤ MAINTENANCE AND OFFICE	⑥ PUBLIC WAREHOUSE		⑨ REP-HANDLER BRANDED CONTAINERS
④ COLLECTIVE SERVICES	⑥ FOX PARKING	⑦ RAMP STATIONS		⑩ REP-HANDLER BRANDED CONTAINERS

SCALE 1"=200'

# Multimodal Industrial Park



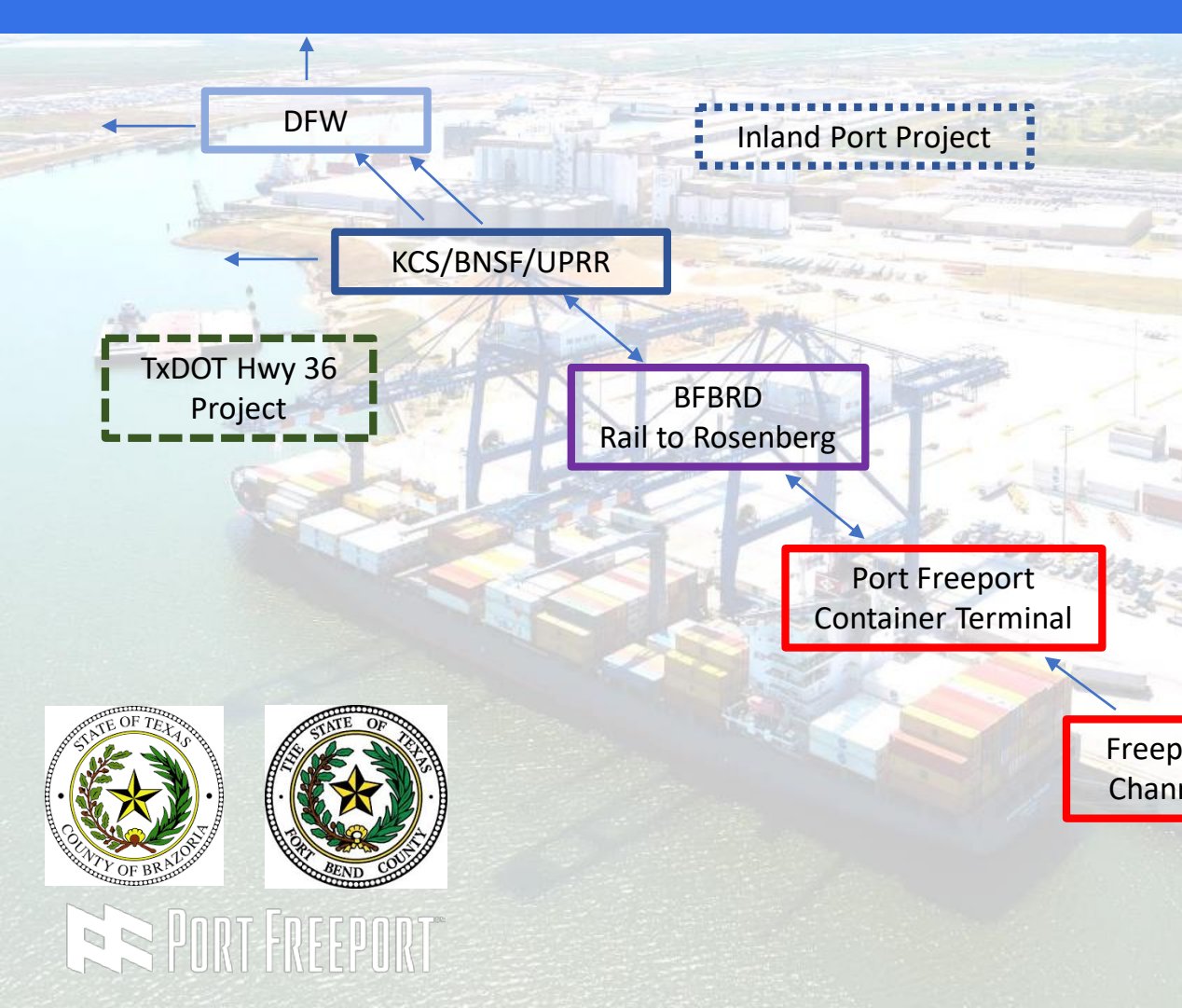
- ✓ Groundbreaking on Aug 18<sup>th</sup>, 2017
  - Phase I Rail (\$25MM)
  - Phase II Rail (\$10MM)

## Key Site Characteristics

- 100 acres allocated for OEM vehicle Storage and Processing (\$50MM)
- 80 acres allocated for Warehouse Development (\$30MM/Warehouse)
  - Distribution Center Potential
  - Distribution Center = JOBS
- Potential Link to Texas International Trade Corridor







DFW

Inland Port Project

KCS/BNSF/UPRR

TxDOT Hwy 36 Project

BFBRD Rail to Rosenberg

Port Freeport Container Terminal

Freeport Harbor Channel Project

Panama Canal Expansion – Open 2016



# Thank you



[www.portfreeport.com](http://www.portfreeport.com)

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