

FOR IMMEDIATE RELEASE

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**PORT FREEPORT COMMISSIONERS CALL FOR \$130 MILLION BOND ELECTION
TO SUPPORT CHANNEL IMPROVEMENT PROJECT**

FREEPORT, TEXAS (Feb. 16, 2018) – Yesterday, Port Freeport Commissioners passed a resolution calling an election on May 5, 2018, for residents in the Navigation District to vote on a ballot measure authorizing the Port to issue up to \$130 million in bonds for the Freeport Harbor Channel Improvement Project. The proposed bond package, coupled with approximately \$165 million in federal funds, would pay for the deepening and partial widening of the Freeport Harbor Channel and is intended to be accomplished without an increase in the Port’s total tax rate.

“The \$130 million bond package will allow us to complete the Freeport Harbor Channel Improvement Project and make Port Freeport the deepest port in Texas,” said Phyllis Saathoff, Executive Director and CEO of Port Freeport. “The entire federal cost-shared project, authorized by Congress in 2014, is estimated to cost approximately \$295 million to construct, and more than half of this amount would be paid for with federal funds.”

The Project will deepen the Freeport Harbor Channel from its current depth of 45 feet to authorized depths of 51 to 55 feet. Additionally, the project includes enhancements to the upper turning basin, as well as widening of the channel and lower bend, making it easier and safer for larger modern ships to navigate the channel. The project construction is expected to begin in 2020 and take approximately five years to complete.

“Channel improvements at Port Freeport will make it more accessible to larger ships now transiting the expanded Panama Canal,” said Paul Kresta, Chairman of the Port Freeport Commission. “By accommodating different types of global vessels, we can expand our capacity and our customer base.”

In 2019, Port Freeport will fully repay a previous bond issue, creating additional debt capacity within the existing tax rate. Additionally, the bonds will be issued in multiple series as work on the channel progresses and as new value from expiring industry tax abatements is added to the tax roll. Given these factors and projected revenues from operations, the Port expects to service the bonds without an increase to its current total tax rate of \$0.0401. Multiple Port-approved tax exemptions are available to resident homeowners including a homestead exemption, and for those over 65 or a veteran, an exemption of \$100,000.

The bond referendum will be listed on the ballot as Port Freeport – Proposition A and will include language as follows:

PORT FREEPORT – PROPOSITION A

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

Port Freeport, first created by the voters in 1925, generates an economic impact of \$46.2 billion annually and supports more than 126,000 jobs. Over 900 vessels per year call the private and public terminals in the Port handling 33 million tons of cargo. In December 2017, Forbes Magazine named Port Freeport a top ten fastest-growing U.S. Port for Exports.

Ranked 10th in chemicals and 26th in containers, Port Freeport’s Channel serves Dow Chemical, Phillips 66, BASF, Tenaris, Vulcan Material, Mammoet, Freeport Liquefied Natural Gas (FLNG), Riviana, Dole, Chiquita, Seaway, Mediterranean Shipping Company (MSC) and Hoegh Autoliners.

Port Freeport is committed to keeping the local community informed of our operations and results. If you have questions or comments about this announcement, please email or call Lauren McCormick, Public Affairs Manager.

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