



Welcome to Port Freeport

# Among America's Leading Ports

## Port Ranking

- ▶ 26th in the U.S. foreign tonnage
- ▶ 31st in the U.S. in total tonnage
  - 19.7 million tons of cargo
  - 450 vessel calls per year
  - 135,000 trucks per year
  - 124,000 teu



# Financial Position

## Year in Review Public Docks

- ▶ Total Operating Revenue
  - 2014 - \$16,995,595
  - 2015 - \$20,135,200 (budgeted)
  - 19 % increase
- ▶ Total Tonnage
  - 2014 – 2,636,872
  - 2015 – 2,723,700(budgeted)
  - 3 % increase



# Port Tenants

- ▶ **American Rice**
  - 500,000 tons bulk and bagged rice/year
  - Shipped product domestic and foreign bound
- ▶ **MSC/Chiquita Brands, Int'l.**
  - Importer of fresh fruit from Central America
  - Exporter of general cargo
  - Vessel calls once a week
- ▶ **Dole Fresh Fruit Co.**
  - Banana Supplier for U.S. and Canada
  - Exporter of general cargo
  - Time/temperature sensitive commodity
- ▶ **Höegh Autoliners**
  - Global Ro/Ro vessel and terminal operator
  - Market includes new and used automobiles, construction equipment, and project cargo



# Port Tenants

## ▶ Freeport LNG Development, L.P.

- \$1.5 billion Freeport LNG Development, L.P., import / export Facility is operational since 2005. FLNG also has a FERC permit to add three new trains to their current facility.
- \$15 billion project will create a world-class import/export LNG terminal
- FLNG will add a 4th new LNG Train by 2020.



# Port Tenants

## ▶ Enterprise

- Only supplier to Strategic Petroleum Reserve
- Currently exporting Canadian Crude via Keystone Pipeline

## ▶ Vulcan Materials

Discharges 1+ million tons of Limestone a year.

# Private Docks

- ▶ **BASF**
  - 500,000 gallon Ammonia Tank
- ▶ **Dow Chemical Company**
  - Provides 15 plants with product
  - Largest chemical plant in the U.S.
- ▶ **Phillips 66**
  - Crude supplier of the largest refinery in the U.S.



# Freeport Harbor Channel Projects

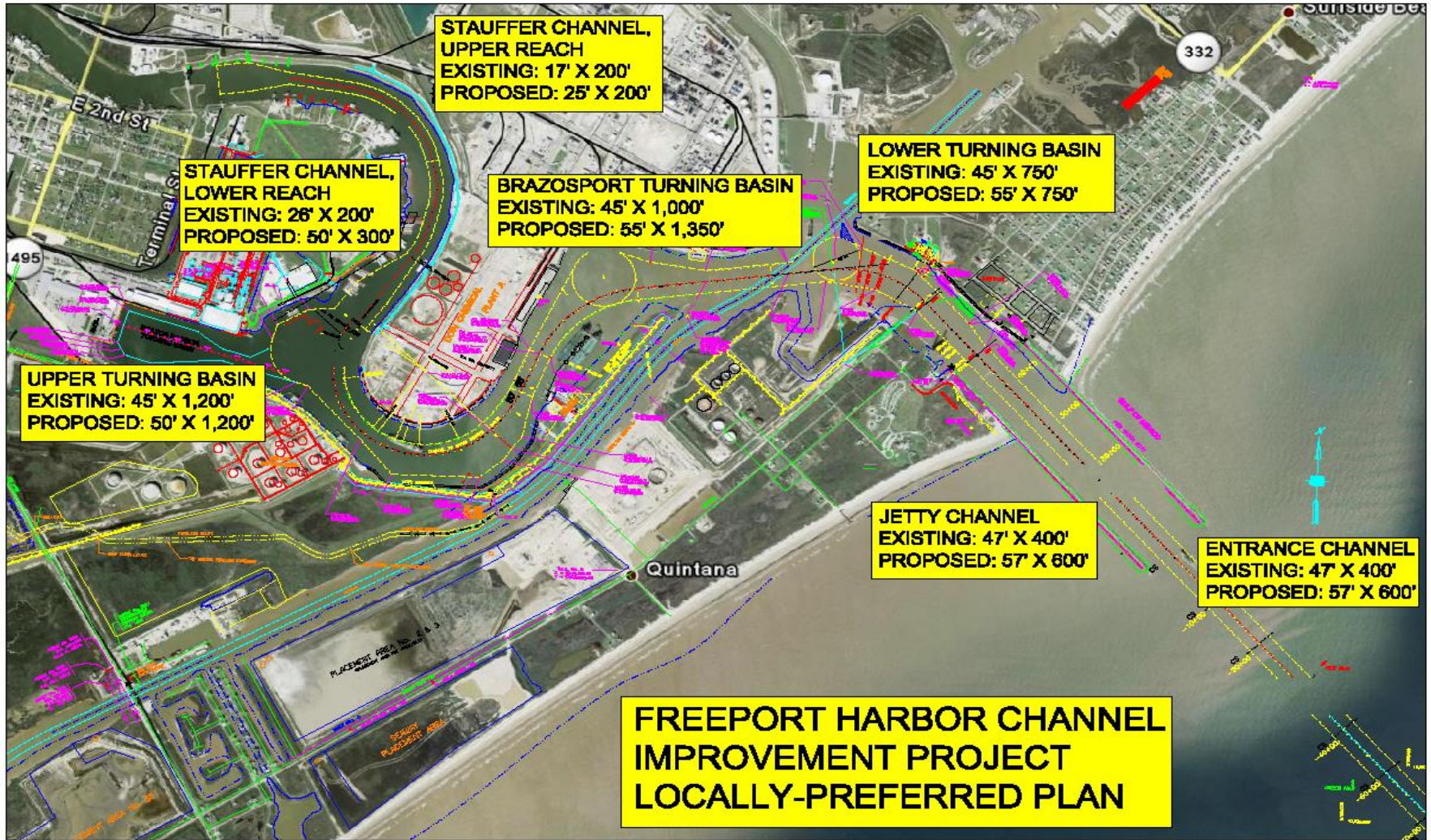
## Strategic Plans

- ▶ **Freeport Harbor Channel Improvement Project**
  - Partnership between Port and the US Army Corps of Engineers on a GRR.(General Reevaluation Report)
  - Benefit-to-cost ratio has indicated that the project's benefit will be more than two times its \$347 million First Cost, which is to be shared between the Port and the federal government.
  - Approval for our project was received last fall in the latest WRDA bill. (Water Resources Development Act)



# Freeport Harbor Channel Projects

## Deepening and Widening Project





# Current Capital Projects



<u>Project</u>	<u>Est. Completion Date</u>
▶ Velasco Phase 2 Area I – 3.5 acres	04/2015
▶ Dock 5 Trench Drain Repairs	05/2015
▶ Berth 5 Mooring Improvements	07/2015
▶ Berth 7 Backland Paving – 20 acres	08/2015
▶ Turning Basin Road Widen and Overlay	08/2015
▶ Parcel 25 Asphalt paving & Drainage	06/2015
▶ Administration Building	02/2016
▶ Dock 2 Floodwall Modification / 408 Permit	06/2016

Estimated Total Cost: \$40 million



# Future Capital Projects

<u>Project</u>	<u>Est. Completion Date</u>
▶ Pete Schaff Repairs	2015
▶ Parcel 19 Stabilization	2016
▶ Transit Shed 2 Demolition	2016
▶ Parcel 14 Development	2017
• Rail, Open Storage, Warehousing	
▶ Continuation of Velasco Terminal Build Out	2019
• Pump Station Outfall, Backlands Area Development, Berths 8 & 9, Gate 12, 3 Container Cranes and Upgrade Power Grid	

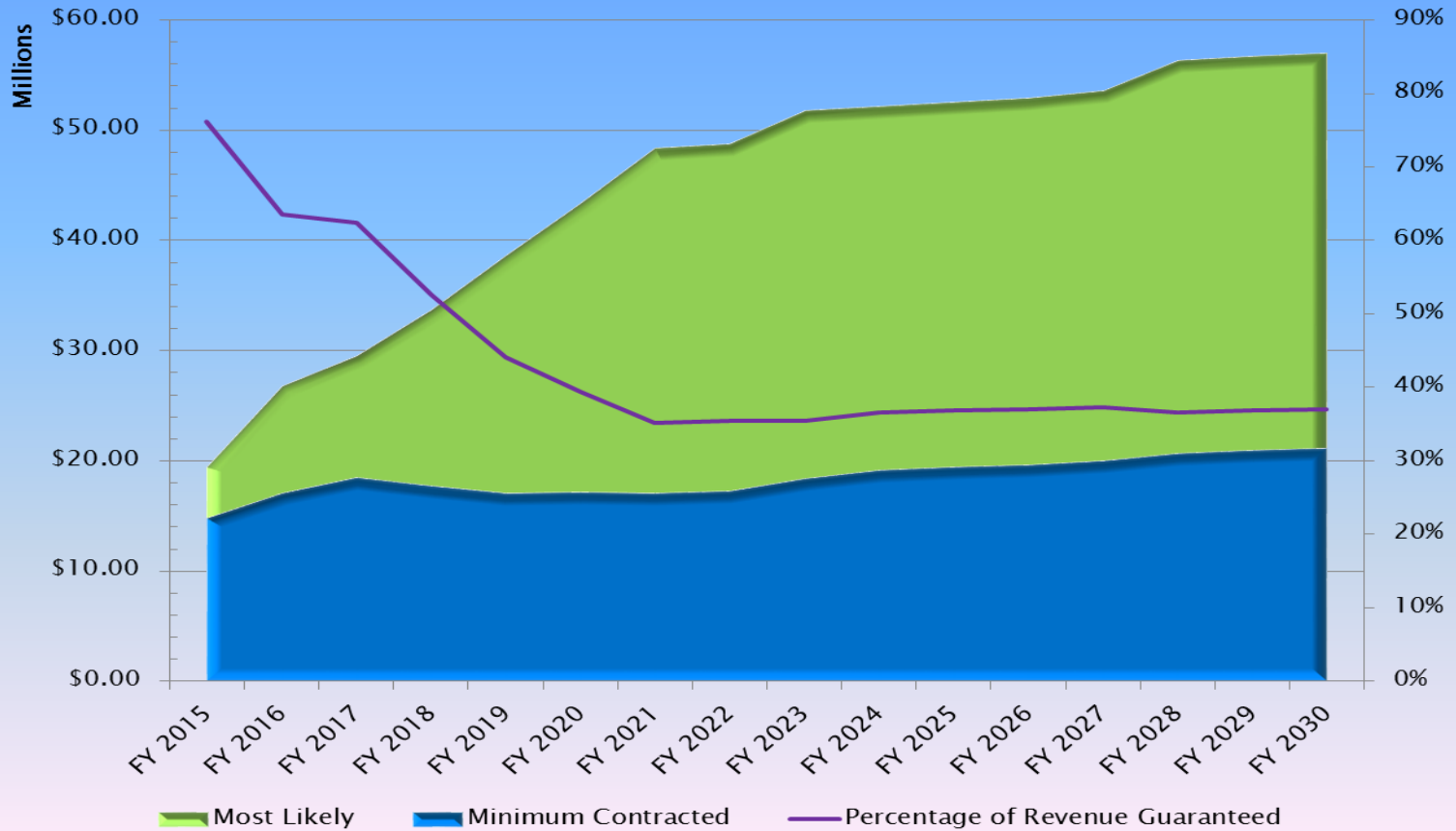
Estimated Total Cost: \$250 million

# Generating Revenue

- ▶ Operating Agreements
- ▶ Dockage
- ▶ Wharfage
- ▶ Cargo Handling
- ▶ Leases
- ▶ Ad Valorem Tax



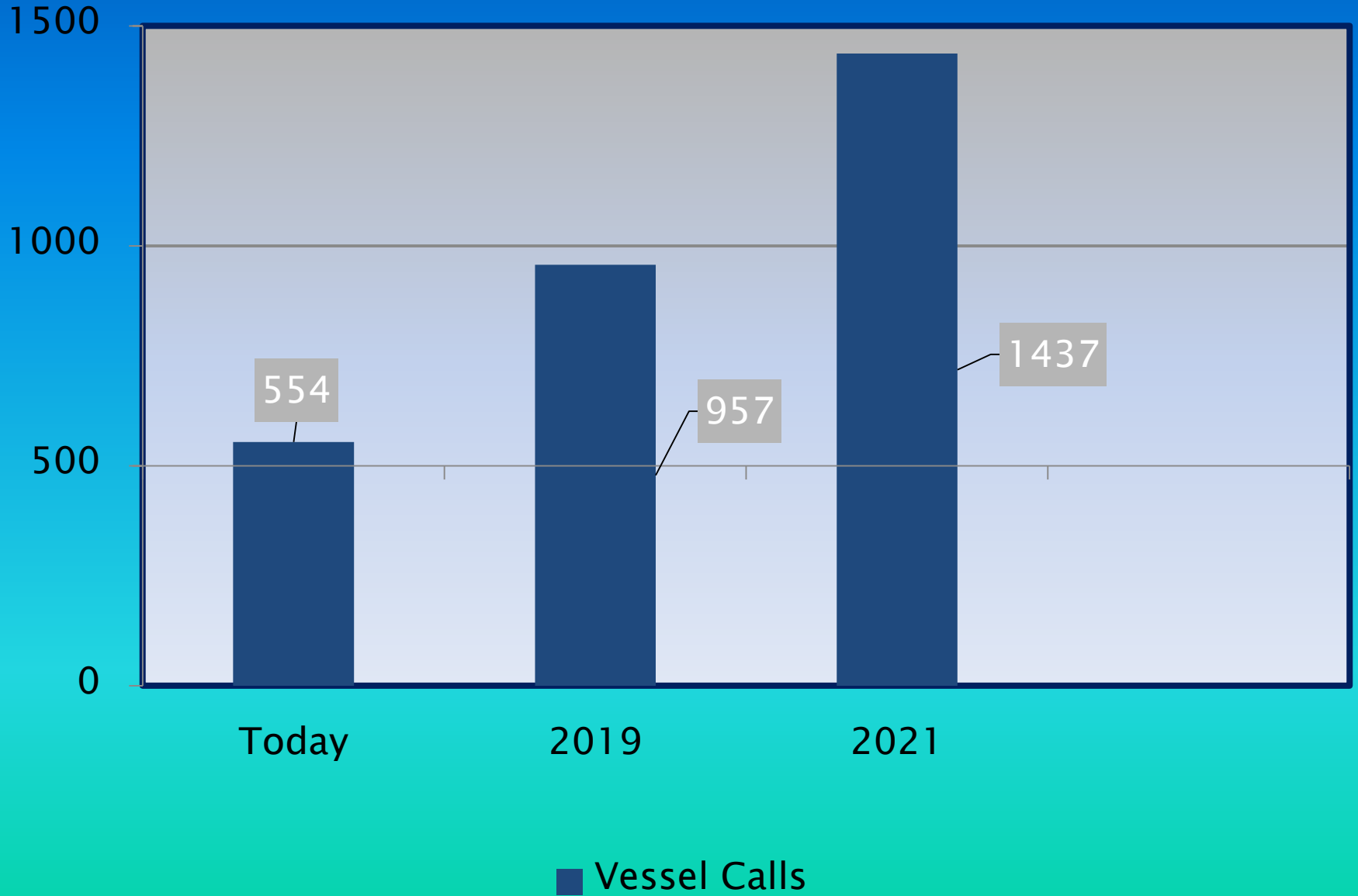
# Port Freeport Operating Revenues



# Major Investments on the channel and in the county

- ▶ BASF - \$1 billion plant expansion
- ▶ FLNG - \$15 billion LNG Facility
- ▶ Phillips 66 - \$3 billion –Marine / \$1.4 billion Sweeney plant
- ▶ Dow Chemical \$4 billion
- ▶ Tenaris \$1.7 billion (Matagorda plant)

# Vessel Calls – Freeport Harbor Channel



# Vessel Calls – Freeport Channel

	<b>Today</b>	<b>2019</b>	<b>2021</b>
Container Vessels	104	156	156
Ro/Ro	18	90	140
Vulcan	24	36	12
ARI	8	12	12
Petro Chemical (BASF, DOW, Phillips 66)	314	410	512
Tenaris	18	55	75
Enterprise	60	150	170
FLNG	8	48	360
<b>Total</b>	<b>554</b>	<b>957</b>	<b>1437</b>
<b>Monthly Average</b>	<b>46</b>	<b>80</b>	<b>120</b>



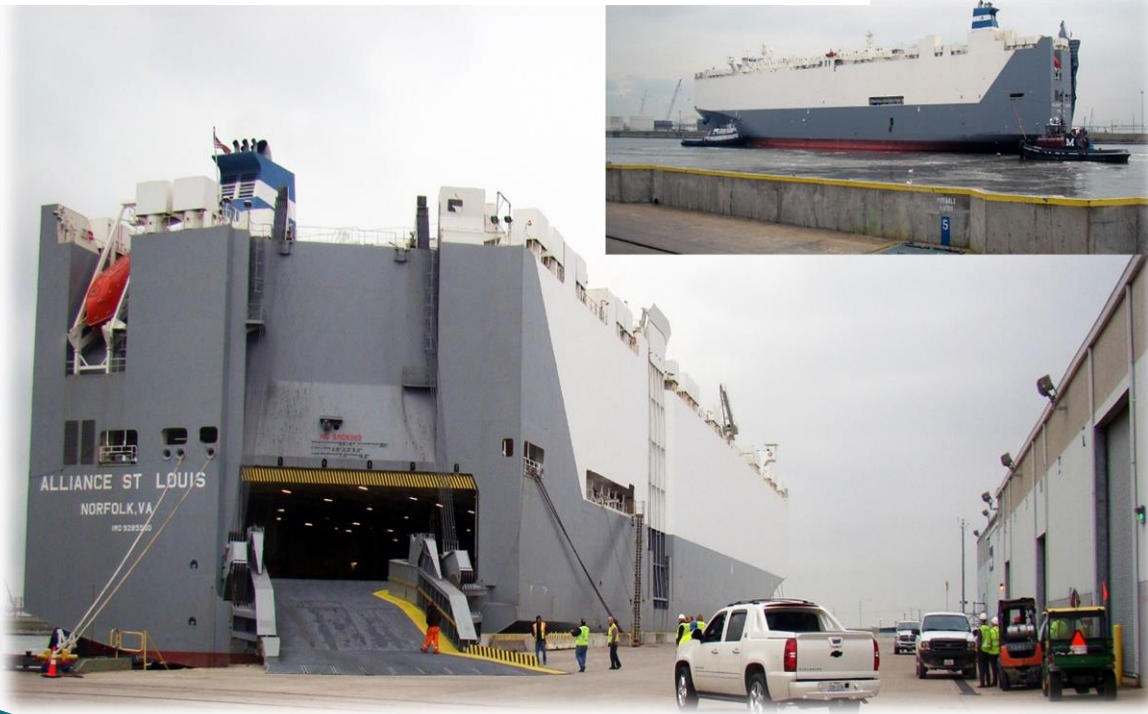
# Velasco Terminal



# New Tenants



HÖEGH AUTOLINERS



# Hoegh



# Parcel 25 & 19 Auto/RORO Terminal Facility

- Based on 2016 – 2018 expectations:
- 45 acres on parcel 25 and 15 acres on parcel 19 across the street. We expect this 60 acres to grow up to 150 acres.
- GM exports of 109,000 units
- GM imports from Korea of 51,000 units
- Mexican Imports ramp up 8,000 in 2017, 136,000 in 2018
- Large machinery / high and heavy rail use expected to grow between 50-100% by end 2017

# Tenaris



# Tenaris Phase 1 / 14 – 22 K Tons per month



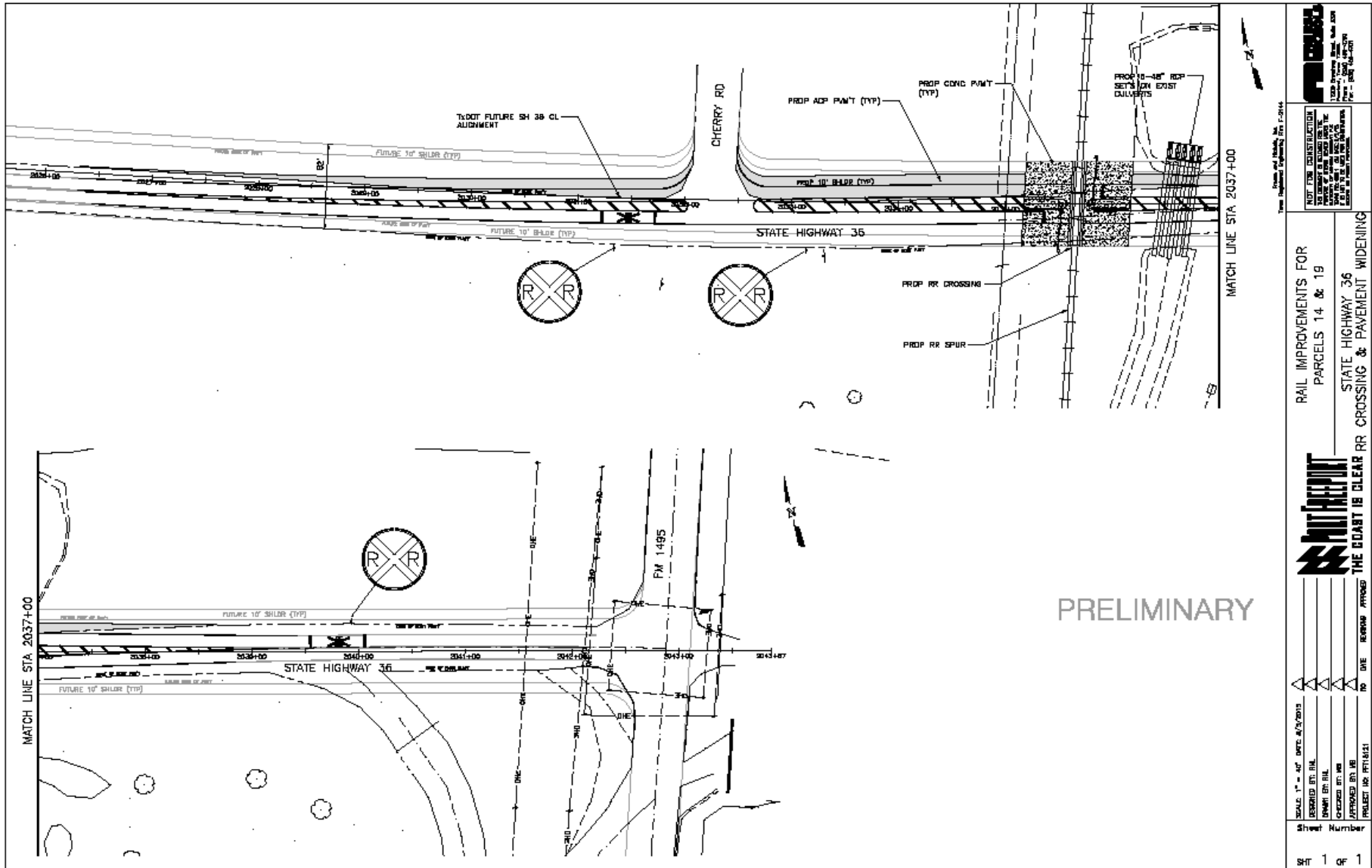
# Locations of new business Hoegh / OEM & Tenaris on Parcel 14 Phase 2 & 3







# At grade crossing on SH 36 for access to Parcels 14 & 19



PRELIMINARY

Scale and Units: All Dimensions in Feet

**NOTE FOR CONSTRUCTION:**  
 TO VERIFY ALL DIMENSIONS, THE CONTRACTOR SHALL REFER TO THE ORIGINAL DRAWINGS AND THE FIELD SURVEY DATA. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND RIGHTS-OF-WAY FROM THE APPROPRIATE AGENCIES.

RAIL IMPROVEMENTS FOR PARCELS 14 & 19  
 STATE HIGHWAY 36  
 THE GOART IS CLEAR RR CROSSING & PAVEMENT WIDENING

SCALE: 1" = 40' DATE: 4/2/2013  
 DESIGNED BY: HIL  
 DRAWN BY: HIL  
 CHECKED BY: HIL  
 APPROVED BY: HIL  
 PROJECT NO: RT14151

TO DATE: 4/2/2013  
 BY: HIL

SHEET NUMBER: 1 OF 1

# Warehousing on parcel 19 for cross dock CES and packaging facilities



# **Questions and Comments**

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

