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PORT COMMISSION SETS 2020 TAX RATE AND APPROVES 2021 BUDGET

FREEPORT, TX (September 15, 2020) - At the regularly scheduled meeting on September 10th, the Port Freeport Commission approved the Fiscal Year 2021 budget and passed a resolution to hold the ad valorem tax rate at \$0.0401 per \$100 of property valuation. The current total tax rate of \$0.0401 includes \$0.0134 dedicated to debt service and \$0.0267 directed to Maintenance and Operations, which has been reduced by 9.6 percent. In August, the Port Commission approved a resolution to increase the residence homestead exemption for individuals 65 years of age or older or disabled from the existing \$150,000 to \$175,000.

“The Port Commission is pleased to be in the position to increase the age 65 or older or disabled tax exemption while honoring our commitment to the public to maintain the current tax rate as we advance the Freeport Harbor Channel Improvement Project that supports local job creation and overall economic prosperity for our entire region,” said Commission Chairman Shane Pirtle.

The plan to maintain the tax rate has been consistently communicated to the citizens in support of the \$130 million bond referendum which was approved by voters in the Navigation District in 2018. The bond package will support the local sponsor share for the deepening and partial widening of the Freeport Harbor Channel, a federal cost-shared project. Of the \$130 million bond package, \$35 million was accounted for with the June 2019 General Obligation Bond issuance. The Port will issue additional bonds in multiple series over the next several years as construction progresses on the Freeport Harbor Channel Improvement Project, with the dredging of the first segment to commence this fall. The U.S. Army Corps of Engineers has awarded the contract to Great Lakes Dredge and Dock Company.

In addition, the Port Commission approved the budget for Fiscal Year 2021. The budget reflects revenues and cash flows from the public dock operations supporting the Port's operations and continued investment in strategic infrastructure projects, notably \$71 million for expansion of port terminal facilities.

“Port staff has worked diligently to ensure that the 2021 budget supports the operations of the Port and advances the Port's expansion projects that will support continued growth and new business opportunities,” said Port Freeport Chief Financial Officer Rob Lowe.

Prior to adopting the budget and setting the tax rate, the Port Commission held a public hearing to allow citizens the opportunity to comment on the proposed tax rate. Information on the tax rate and budget, as well as the Freeport Harbor Improvement Project and the 2018 Bond Referendum, can be found on the Port website at www.portfreeport.com.

Port Freeport is a leading port in the export of crude oil and natural gas liquids and ranked 6th in chemicals, 17th in foreign waterborne tonnage, and 26th in containers. A 2019 Economic Impact Study by Texas A&M Transportation Institute revealed that, nationally, the Freeport Harbor Channel generates 279,780 jobs and has a total economic output of \$149 billion. The Freeport Harbor Channel serves BASF, Chiquita Fresh N.A., CMA CGM, Dole Fresh Fruit, The Dow Chemical Company, Freeport LNG, Glovis, Grimaldi Lines, Hogh Autoliners, Horizon Auto Logistics, Liberty Global Logistics, Wallenius Wilhelmsen Ocean, Mammoet, Phillips 66, Riviana Foods, Inc., Sallaum Lines, Seaway Crude Pipeline Company, Tenaris, and Vulcan Materials Company.

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 Jessica Follett, Public Affairs Manager.

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