



PORT
FREEPORT IS
GROWING

Bigger, Deeper, Wider

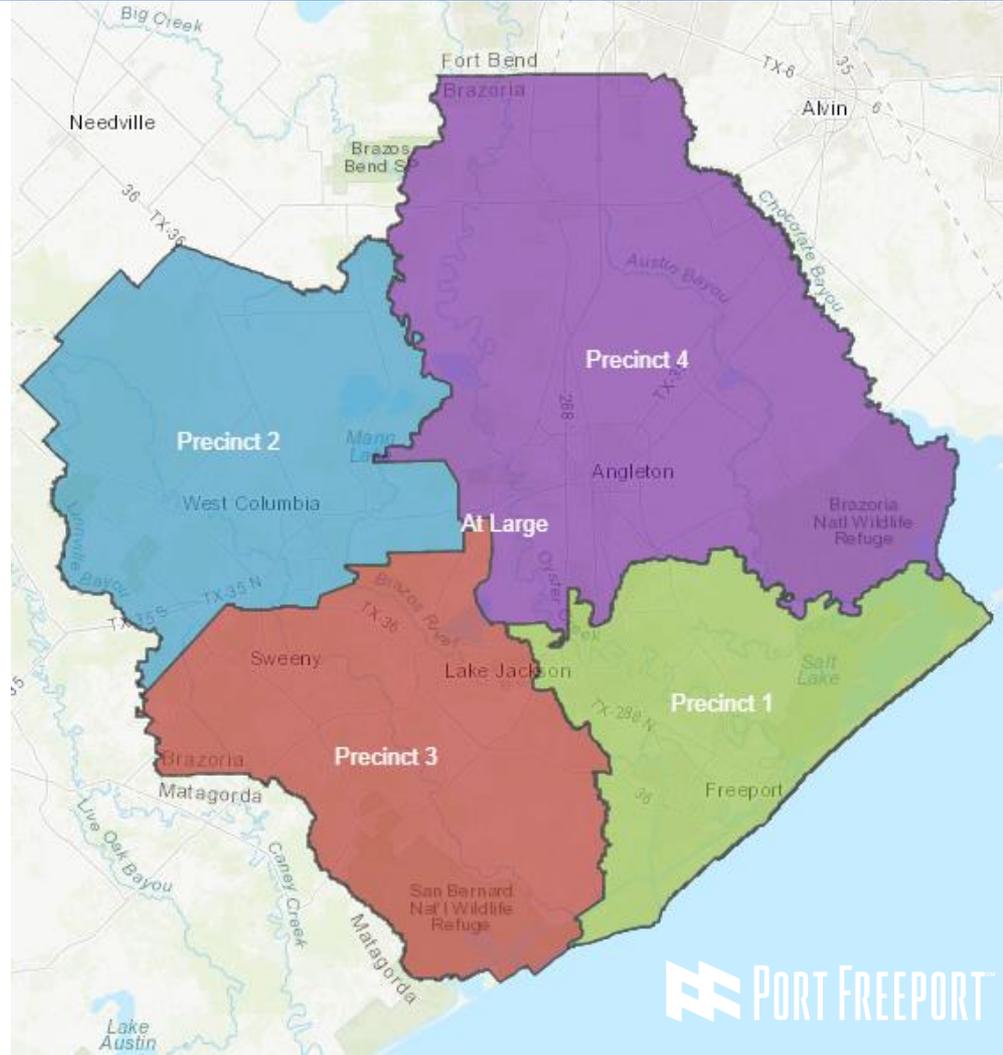
About Port Freeport

- 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

- The 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



Shane Pirtle
Chairman



Paul Kresta
Vice Chairman



Rudy Santos
Secretary



John Hoss
Assistant Secretary



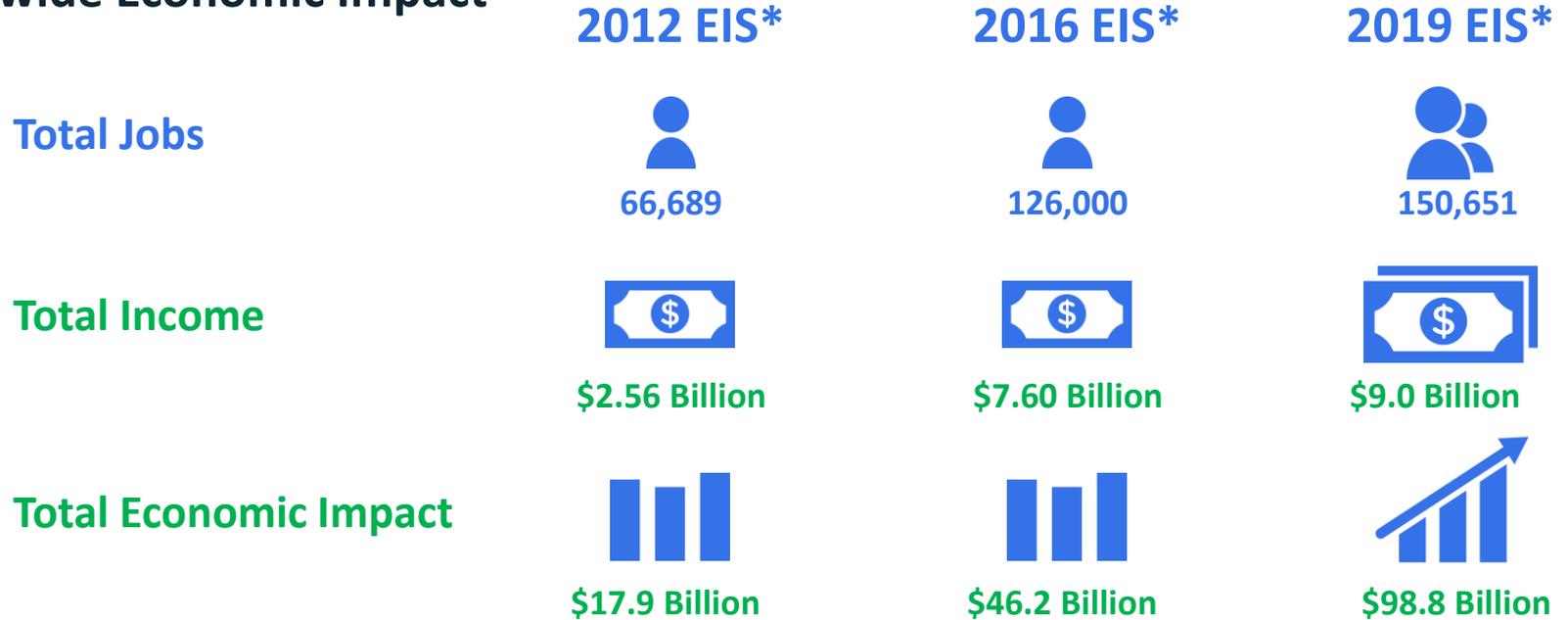
Ravi Singhania
Commissioner



Dan Croft
Commissioner

Port Freeport is Growing Exponentially

Statewide Economic Impact



* Texas A&M Transportation Institution (TTI) Study

Port Freeport Nationwide Economic Impact

Total Jobs



2019 EIS*

279,780

Total Federal Tax Revenues



\$5.4 Billion

Total Economic Impact



\$149 Billion

* Texas A&M Transportation Institution (TTI) Study

Port Freeport Ranking

- Top 10 Fastest Growing U.S. Ports for Exports – Forbes Magazine
- 6th in Chemicals
- 17th in Foreign Waterborne Tonnage
- 26th in Containers

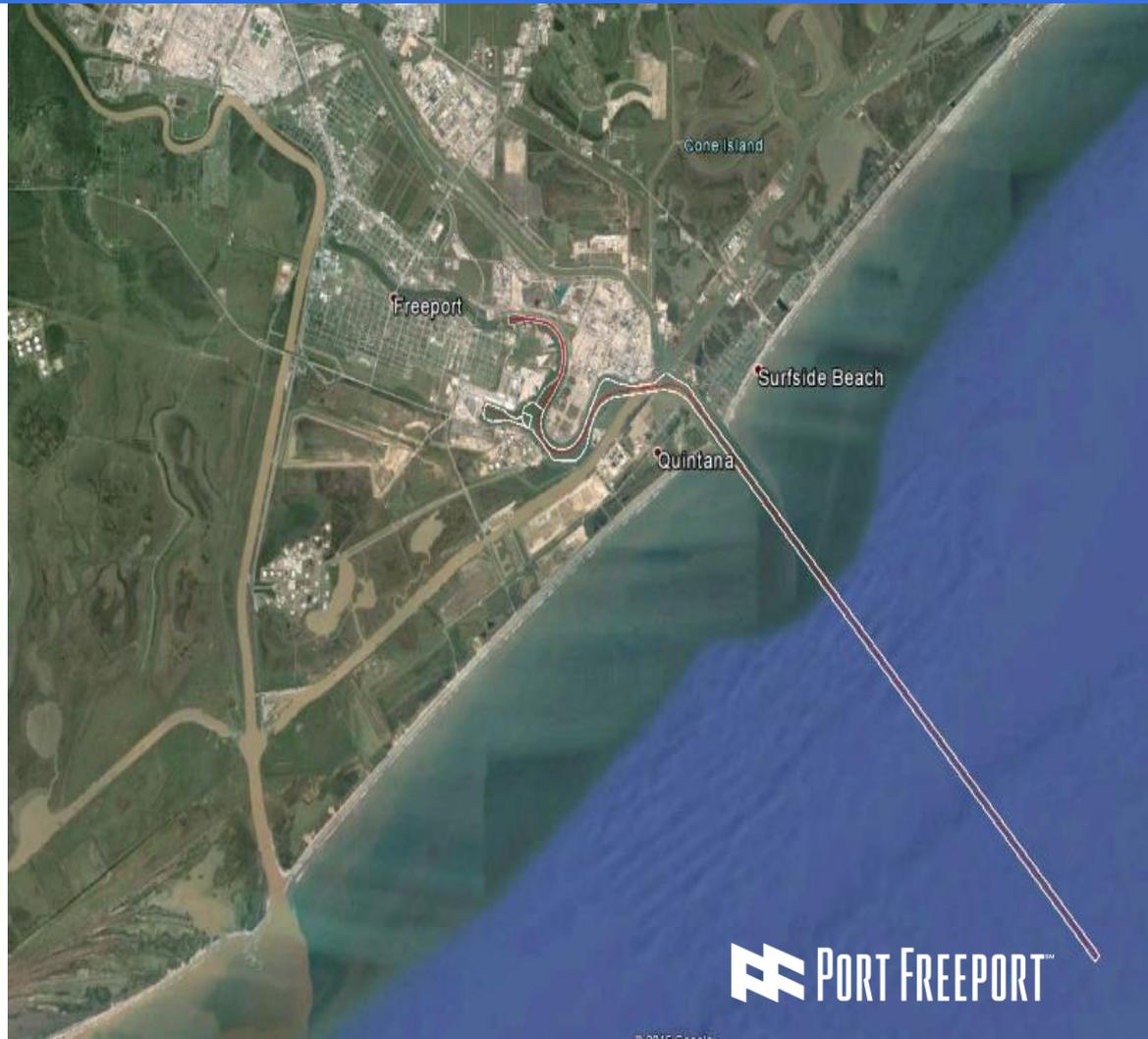
Source: Port Freeport Analysis of U.S. Census Bureau 2019



46' Deepwater Channel

7.5 Miles from Deep Water
to the Inner Harbor

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



Port Freeport Vessels and Tonnage

- Port Freeport expects near 1,100 vessel calls in 2020
 - More than 1,030 vessels called Port Freeport in 2019
- Approximately 25 million tons of cargo transported annually
- Vessel calls forecasted to increase with completion of improvement projects
- 17 Freeport LNG vessels expected in November 2020



Port Freeport Supports Business

Public dock facilities managed
by the Port



Port Freeport Supports Business

International shipping lines
calling the public facilities



Unprecedented Growth in Brazoria County

More than \$32 billion
invested in new
production facilities



Phillips 66

- Liquefied Petroleum Gas export facility capable of exporting 200,000 barrels per day
- Commenced operations in November 2016
- 220 vessels per year



Freeport LNG Update

- **Liquefaction Trains 1, 2, and 3 all in commercial operations**
- **2.2 BCF gas production capacity per day**
- **Up to 6 vessels per month per Train**
- **2 Berths**



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 an efficient transportation corridor from Freeport to Texas markets and the heart of the United States

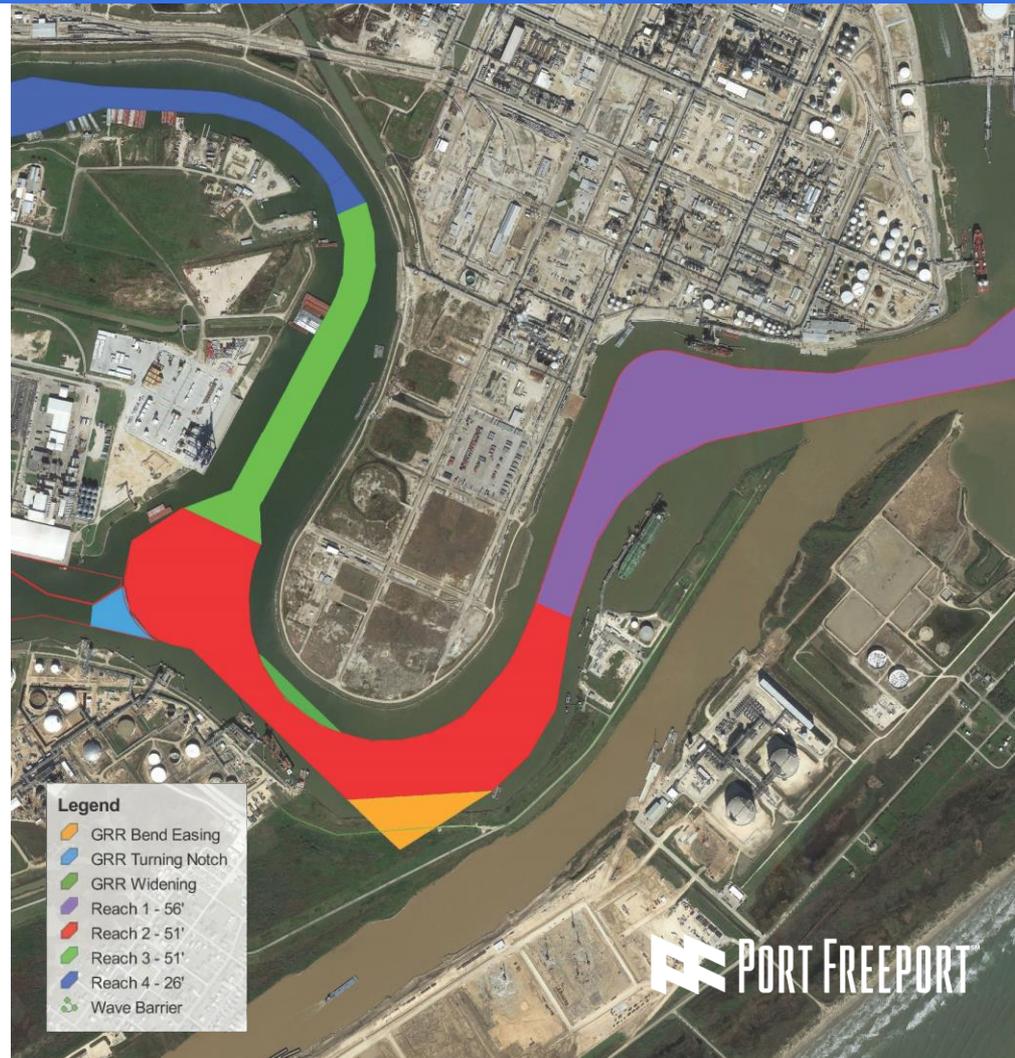


Freeport Harbor Channel Improvement Project

Deepens the channel

- Current depth – 46 feet MLLW
- Project depth – 51 to 56 feet MLLW

Port Freeport will be the
Deepest Port in Texas



Freeport Harbor Channel Improvement Project

- February 2020 New Start Designation
- June 2020 Port Freeport Signs Project Partnership Agreement with the US Army Corps of Engineers
- September 2020 Dredging Contract Award
- January 2021 Dredging to begin on Reach 3



FHCIP Timeline



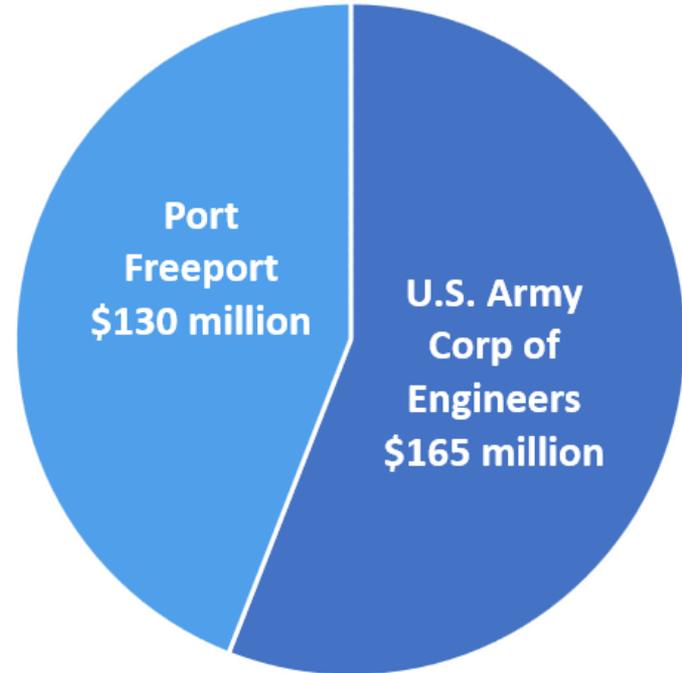
Freeport Harbor Channel Improvement Project

Federal cost-shared project authorized by Congress in 2014

USACE FY2020 Work Plan

- New start designation
- \$19 million federal funding

Total Cost to Construct
\$295 Million



Bond Package Approved by Voters May 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”

\$35 million of the \$130 million bond package issued in June 2019

\$39 million to be issued in 2021



Port Freeport's 2016-2018 2019 Tax Rate - \$0.0401

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



Debt Service** – 1 cent



Proposed Tax Rate with Bond Package - \$0.0401

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



Debt Service** – 3 cents



*M&O – Annual operating expenses
**Debt Service – Annual principal and interest for voter-approved bonds.

Land-side Multi-modal Infrastructure



Financed from Cash Flows, Debt Supported from Port Operations and Leases or Direct Third-party Investments

2020 Budget - \$63M

2021 Budget - \$71M

Integrated Multi-modal Infrastructure Required



Velasco Terminal Expansion



Full Buildout Lift Capacity: 1,500,000 Lifts

Phase 1 (Current)

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

Phase 2

- ✓ Permit Application Received from USACE - September 2018
 - 950' Berth Extension and Dredging – 51' operational depth
 - December 2019 Contract Awarded
 - September 2022 Completion
- 6 acres Backland Stabilization
 - Completed May 2020
- STS Post-Panamax Gantry Cranes Installation – 2022

Velasco Terminal Expansion



1493 ft

© 2020 Google

Multimodal Industrial Park



✓ Phase I Rail

- Ribbon-cutting in June 2019
- 6,000-foot lead track
- 15,000 feet of ladder tracks

✓ 20 Acres OEM Storage

- Placed into Service Aug 2020

Key Site Characteristics

- 100 acres allocated for OEM vehicle Storage and Processing
- 80 acres allocated for Warehouse Development
 - Distribution Center Potential
 - Distribution Center = JOBS



Parcel 14 OEM Storage & Processing



Approximately 20 acres
4,000 Vehicle Unit Spaces

Parcel 14 OEM Storage & Processing



Approximately 20 acres
4,000 Vehicle Unit Spaces

Parcel 14 Rail Development Update



An excavator unloads Vulcan Materials Company's first rail shipment of bulk aggregate to Port Freeport's Parcel 14.

Leading Through Uncertain Times, Charting a Bright Future





www.portfreeport.com

www.portfreeportbondelection.com

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