



**PORT**  
**FREEPORT** IS  
**GROWING**

**Bigger, Deeper, Wider**

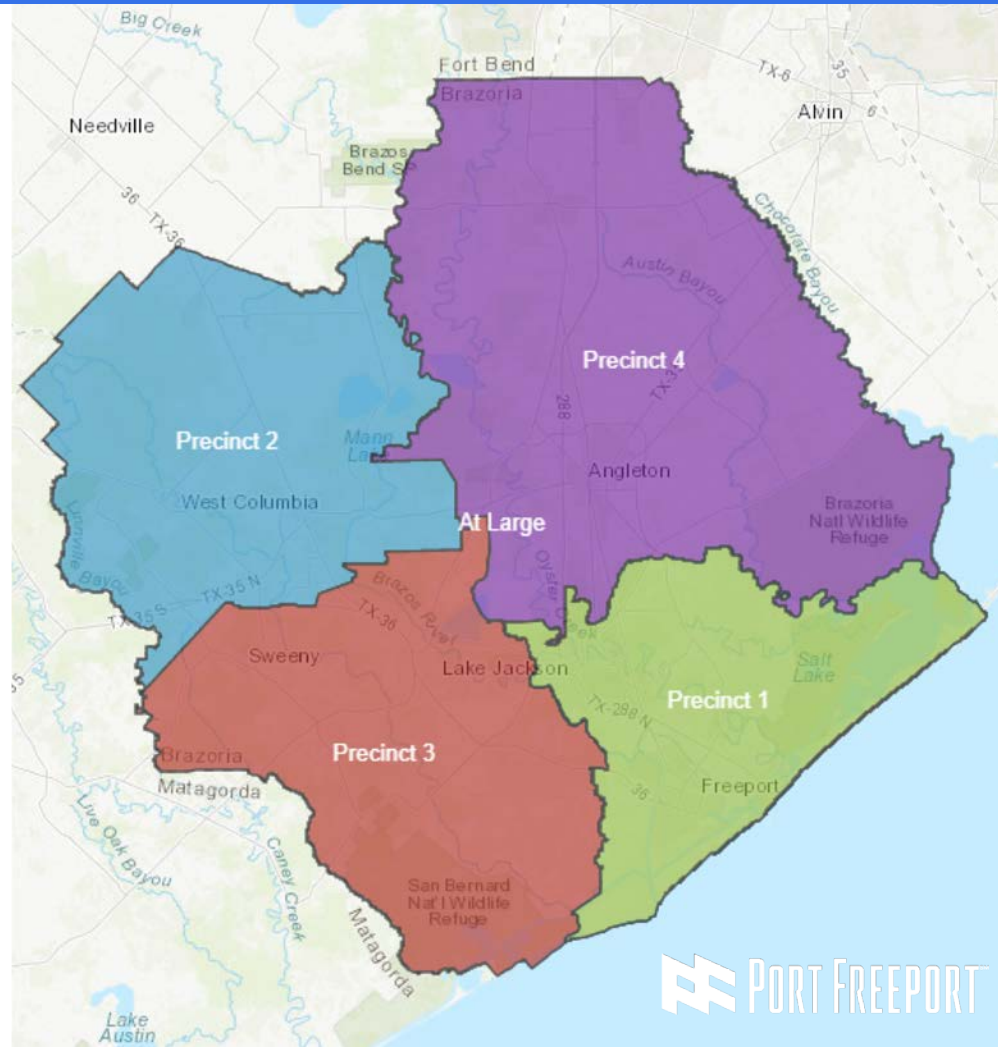
# About Port Freeport

- 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

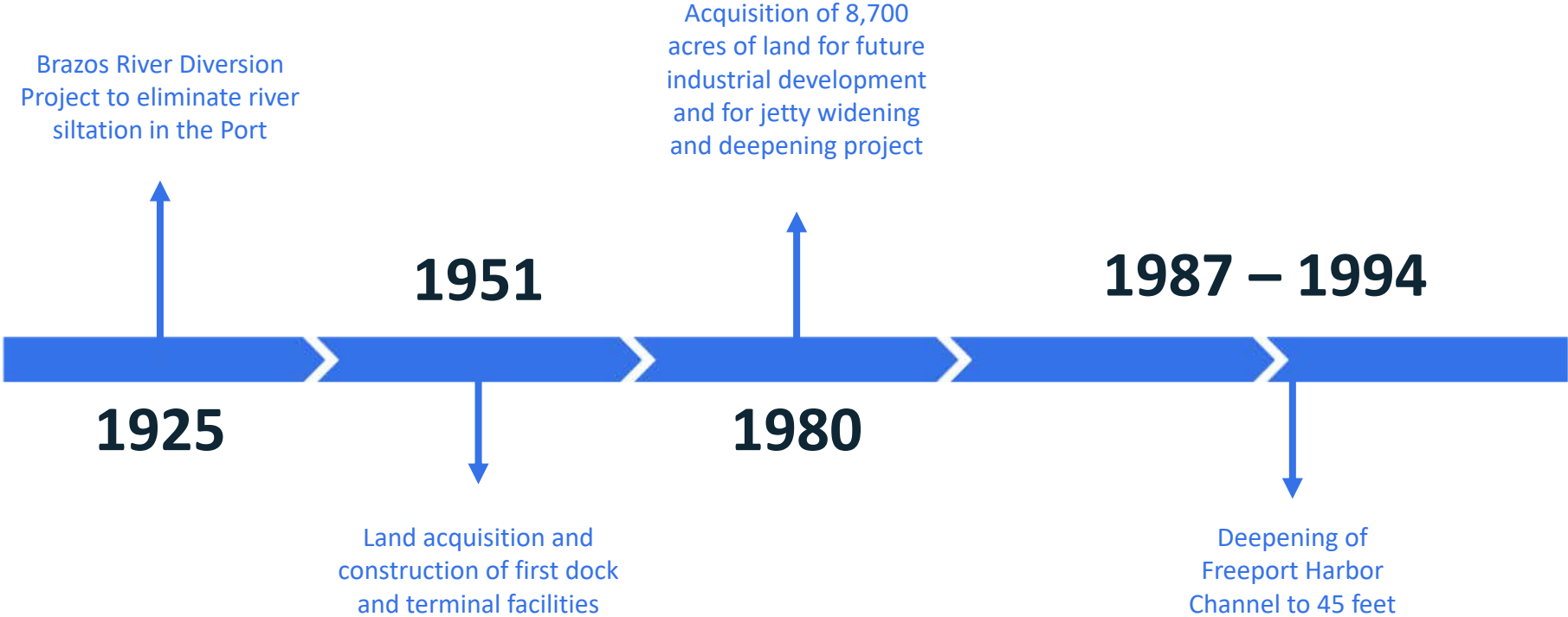


**Phyllis Saathoff**

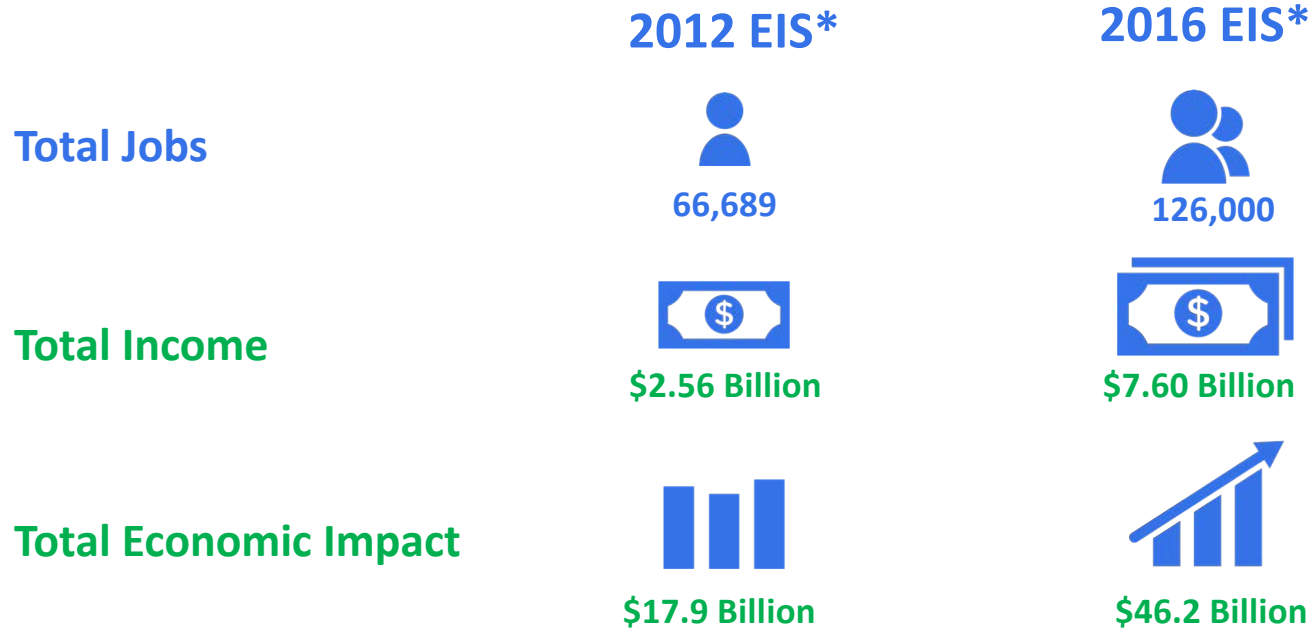
**Executive Director and CEO**



# 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





# 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



# 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



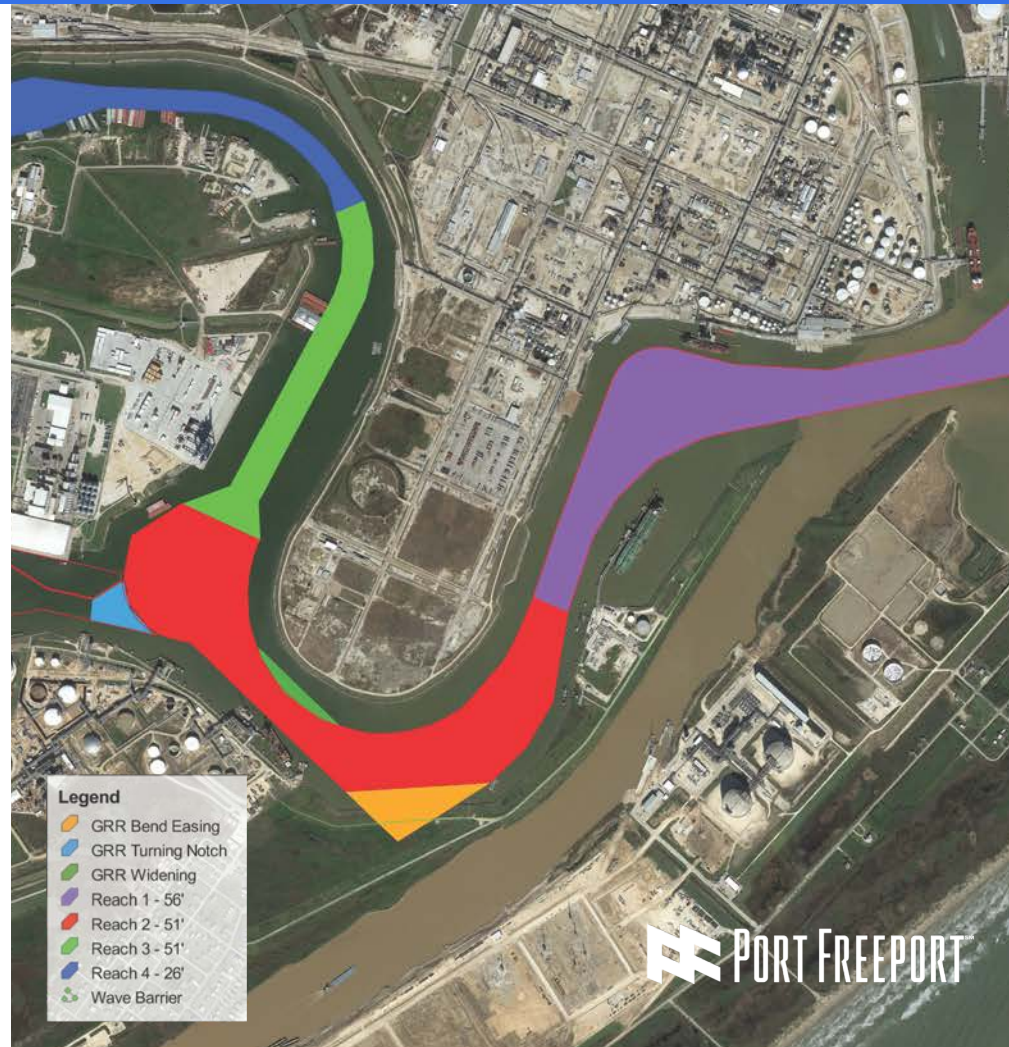
# Freeport Harbor Channel Improvement Project

## Deepens the channel

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

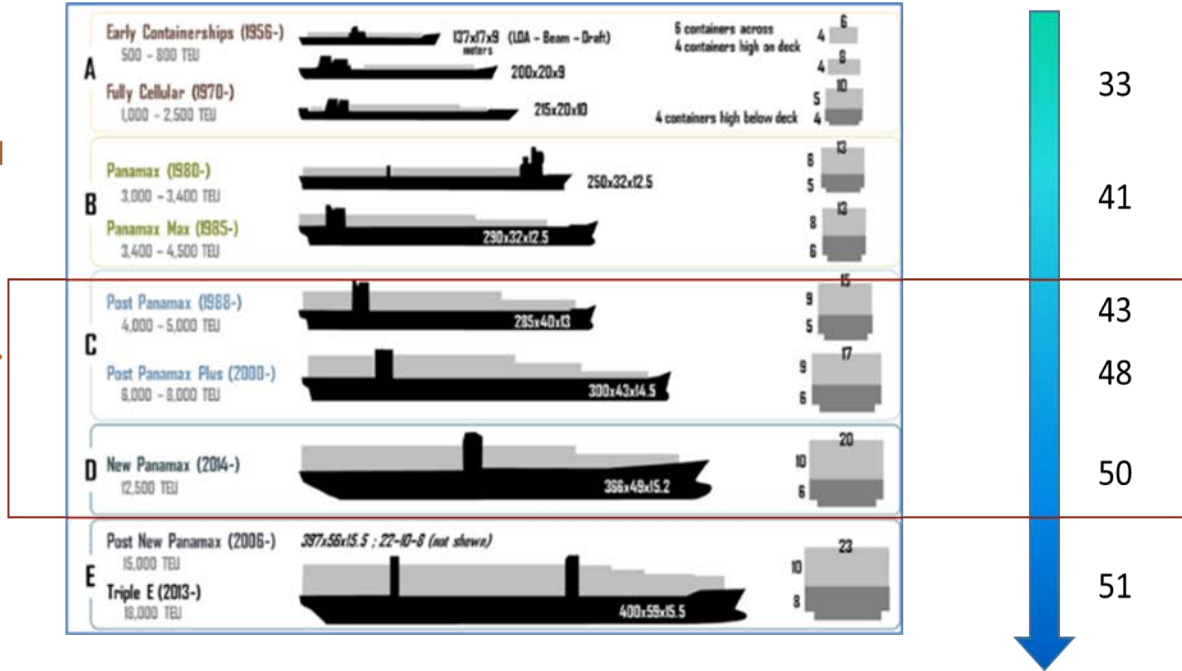
Port Freeport will be the

**Deepest Port in Texas**



# Freeport Harbor Channel Improvement Project

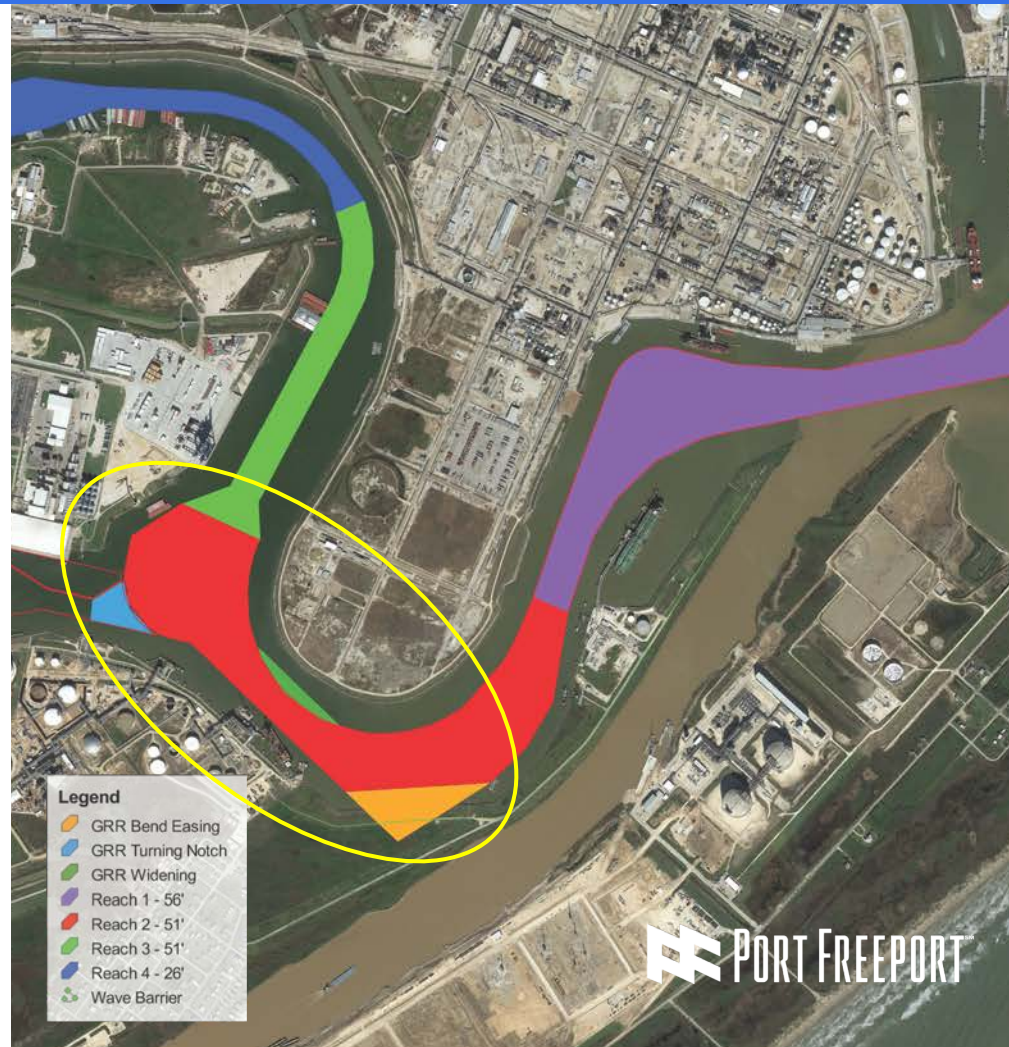
Improves navigation for modern ships



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

# Freeport Harbor Channel Improvement Project

- Making enhancements to the upper turning basin
- Selective widening of the channel and lower channel bend easing



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



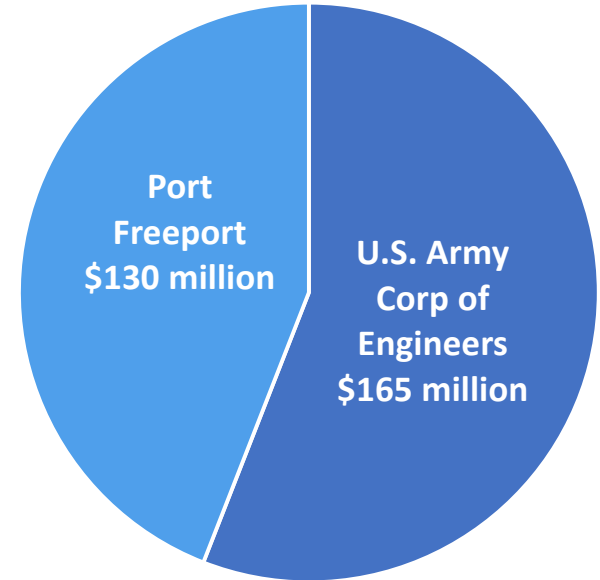


# Freeport Harbor Channel Improvement Project

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      "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"
- AGAINST

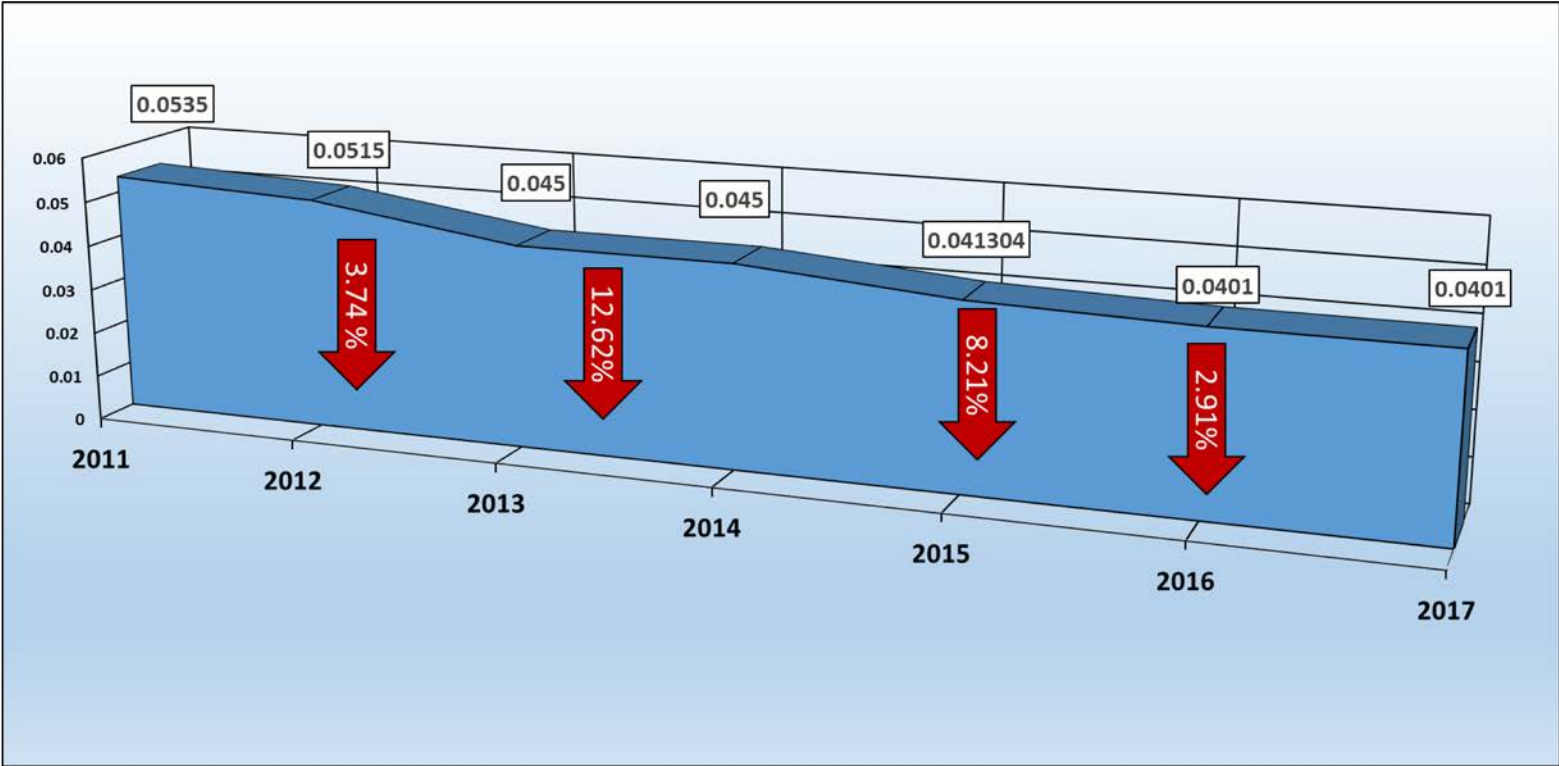
As a government entity, Port Freeport must have voter approval to issue bonds for capital improvement projects.



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



# Tax Rate Reductions



# 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

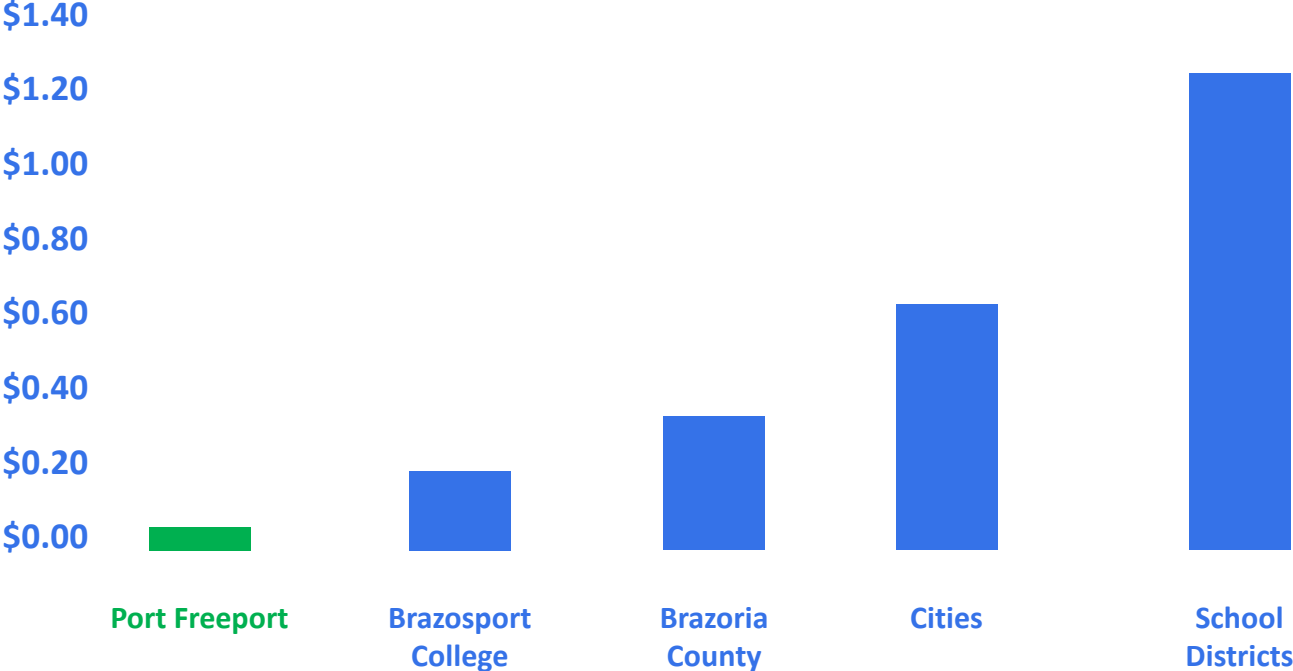
Maintenance and Operations (M&O)\* – 1 cent



Debt Service\*\* – 3 cents



# Tax Rate Comparison



# Current Tax Rate

Average Home Value \$155,000

	With Homestead Exemption	Over Age 65 Exemption	Over Age 65 in \$125,000 Home
Market Value	\$155,000	\$155,000	\$125,000
20% Homestead Exemption	\$ 31,000	\$ 31,000	\$ 25,000
Additional Exemption		\$100,000	\$100,000
Net Taxable Value	\$124,000	\$ 24,000	\$0
Port Tax (\$0.0401 per \$100)	\$49	\$9	\$0
	\$4/month	\$0.75/month	

# Top 10 Taxpayers

Entity	(in thousands) 2017 Taxable Valuation	Percent Of Total Taxable Valuation
Dow Chemical Company	\$2,319,874	18.46%
Blue Cube Operations LLC (Olin)	620,677	4.49
Phillips 66 Company	568,392	4.52
Chevron Phillips Chemical Company	501,103	3.99
BASF Corp. Chemicals Div.	366,721	2.92
Freeport LNG	158,809	1.26
Air Liquide Large Industries	117,497	0.93
Shintech, Inc.	109,046	0.87
Seaway Crude Pipeline	96,284	0.77
Sweeny Cogenerations Ltd	89,322	0.71
<b>Total</b>	<b>\$4,947,725</b>	<b>39.37%</b>





# Tax Abatements

	(in thousands)	Percent of Total Taxable Valuation
Total Industrial/Commercial	\$8,402,417	64.5%
Estimated Value from Expiring Tax Abatements (Comes on tax rolls 2021 – 2028)	\$10,844,000	



## Additional strategic initiatives supporting Port's Vision:

- 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

Funded through revenue streams generated from the business activities they support

*These projects are not part of the Freeport Harbor Channel Improvement Project or the \$130 million bond package.*

# Local Election – May 5, 2018

## Port Freeport – Proposition A

FOR

“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”

AGAINST



# Thank you



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

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