



## **FOR IMMEDIATE RELEASE**

Contact: Tricia Vela, Public Affairs Assistant  
Phone: (979) 233-2667 ext. 4330  
Email: vela@portfreeport.com

### **PORT COMMISSION LOWERS TAX RATE AND APPROVES 2023 BUDGET**

**FREEPORT, TX (September 12, 2022)** - At the regularly scheduled meeting on September 8th, the Port Freeport Commission approved the Fiscal Year 2023 budget and passed a resolution to adopt a tax rate of \$0.035000 a one-half cent rate reduction. The new total tax rate of \$0.035000 is below the No New Revenue Tax Rate of \$0.035909. This new total rate includes \$0.016856 dedicated to debt service and \$0.018144 directed to Maintenance and Operations. The \$0.018144 M&O rate reflects a reduction of 22.4 percent.

“The Port Commission voted to reduce the total tax rate below the No New Revenue Tax Rate, while keeping our commitment to Navigation District taxpayers to advance the Freeport Harbor Channel Improvement Project as part of our overall growth and management strategy. The Port’s growth and commodity diversification supports local job creation and overall economic prosperity for our entire region,” Port Commission Chairman John Hoss said.

The decision to reduce the tax rate is due in part to the strength and continual growth of the industrial value included on our tax roll. It 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 Port would maintain the tax rate; however, the Port Commission’s decision to reduce the tax rate goes beyond that. The bond package supports the local sponsor share for the deepening and partial widening of the Freeport Harbor Channel, a \$295 million federal cost-shared project. Of the \$130 million bond package, a total of \$74.2 million has been accounted for to date with General Obligation Bond issuances in 2019 and 2021. The Port will issue the remaining bonds early in 2023 as construction progresses on the Freeport Harbor Channel Improvement Project. Port Freeport anticipates another substantial dredging contract award in December 2022. The

overall project is progressing as planned for completion in 2025.

In addition, the Port Commission approved the budget for Fiscal Year 2023. The budget reflects revenues and cash flows from the public dock operations supporting the Port's operations and continued investment in strategic infrastructure projects. Most notably, the budget includes \$72 million for the ongoing expansion of port terminal facilities, financed through a combination of revenue backed debt and port operating cash.

“Port staff worked together to develop a budget that meets the needs of ongoing operations while remaining resolute in support of the Port's strategic initiatives, including landside infrastructure projects, that will allow us to maintain growth as the local and regional economies continue to grow,” Port Freeport Chief Financial Officer Rob Lowe said.

Prior to adopting the budget and setting the tax rate, the Port Commission held a public workshop to allow citizens the opportunity to comment on the proposed tax rate and budget. 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](http://www.portfreeport.com).

Port Freeport is a leading port in the export of crude oil and natural gas liquids and ranked 6th in chemicals, 11<sup>th</sup> 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. Port Freeport serves Atlantic Container Lines, AMPORTS, BASF, Chiquita Fresh N.A., CEMEX, Dole Fresh Fruit, The Dow Chemical Company, Enterprise Products, ExxonMobil, Freeport LNG, Glovis, Grimaldi Lines, Hoegh Autoliners, Kirby Marine, Liberty Global Logistics, Mammoet, MEGlobal, NYK, Phillips 66, Riviana Foods, Inc., Sallaum Lines, Tenaris, U.S Department of Energy, Wallenius Wilhelmsen, 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 article, please email or call Tricia Vela, Public Affairs Assistant.