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PORT FREEPORT COMMISSION ADOPTS A TAX RATE SIGNIFYING START OF NEW ERA

FREEPORT, TX (September 19, 2023) - On September 14th, in a historic milestone for Port Freeport, the Port Freeport Commission voted to take the Maintenance and Operation tax rate to ZERO and adopted a tax rate of \$0.016007, exclusively designated for debt service on the bonds approved by the district voters in 2018 for the channel widening and deepening project. To further demonstrate their commitment to the taxpayers, the Port Commission allocated \$1 million from port revenues to be applied towards general obligation debt service payments for Fiscal Year 2024, resulting in a reduction in the I&S tax rate. These actions mark a new era of fiscal responsibility for Port Freeport.

Reflecting on the historic significance of this moment, Chairman Ravi Singhania remarked, “This achievement embodies the culmination of 98 years of dedication from present and past employees and commissioners. It traces its origins to the visionary decision by Brazoria County voters in 1925, who laid the foundation for the creation of Port Freeport. The unwavering trust and commitment of taxpayers, paired with relentless effort, have propelled growth and opportunity in the region for decades, and we anticipate more to come. We are immensely proud to be part of this moment and to have achieved this together.”

He also added “The decision was made very carefully. For the past seven years, we have been operating the Port without M&O funds, and those were put in reserves.”

Port Freeport, established almost a century ago in 1925, was created with the mission to facilitate navigation-related commerce. Through the support of taxpayers, investments were made in the Freeport Harbor Channel, along with the construction of wharves, docks, warehouses, and

various other facilities. These strategic investments have attracted substantial economic activity, generated jobs and fostering overall economic prosperity. Over time, the Port's operations and direct operating revenues have reached a self-sustaining level, eliminating the need for tax revenue to support maintenance and operation.

Vice Chairman and Finance Committee chair, Rob Giesecke, noted that “The total rate is now less than half of last year’s and represents the largest tax cut in Port Freeport history. Additionally, setting the M&O rate at zero means that voter approval would be required before any M&O tax could be resurrected.”

Before approving the tax rate, the Port Commission hosted a public workshop to provide citizens an opportunity to voice their opinions 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.

Port Freeport is a leading port in the export of crude oil and natural gas liquids and ranks nationally as 6th in chemicals, 17th in total foreign waterborne tonnage, and 26th in containers. A 2022 Economic Impact Study by Texas A&M Transportation Institute revealed that, nationally, the Freeport Harbor Channel generates 266,300 jobs and has a total economic output of \$157.3 billion. Port Freeport serves Alliera, Atlantic Container Lines, AMPORTS, BASF, Chiquita Fresh N.A., Dole Fresh Fruit, The Dow Chemical Company, Enterprise Products Partners, ExxonMobil, Freeport LNG, Ford Motor Company, General Motors, Glovis, Grimaldi Lines, Hoegh Autoliners, Kirby Marine, Liberty Global Logistics, MEGlobal, NYK RORO, Phillips 66, Riviana Foods, Inc., Sallaum Lines, Tenaris, U.S Department of Energy, Volkswagen Group of America, 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 Tricia Vela, Public Affairs Assistant

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