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## Volkswagen Group of America announces Port Freeport in Texas as new Gulf Coast hub for future operations

- Port Freeport will accommodate importation of 140,000 vehicles per year and will serve nearly 300 retail dealers in the United States
- New hub will allow utilization of low-emission LNG vessels, supporting Volkswagen Group's goal to improve the environmental footprint of its global logistics
- Volkswagen Group of America's future operations at Port Freeport are anticipated to create 113 direct jobs at the terminal facilities
- New facilities expected to be operational in early 2024

**Herndon, VA, Freeport, TX – Volkswagen Group of America, Inc. (VWGoA) today announced Port Freeport as the new major Gulf Coast hub for its future vehicle logistics port operations, in collaboration with Port Freeport and developer PRP and KDC. With a 20-year lease agreement, Volkswagen Group of America aims to further improve vehicle logistics efficiency and increase importation capacities to serve nearly 300 dealers in the United States. The new port facilities are set to be operational in early 2024.**

Volkswagen Group of America, Port Freeport and developer KDC aim to break ground on the new location in late 2022 and expect for the facility to be operational in early 2024. Current VWGoA port operations in Houston and Midlothian (TX) will be consolidated into the new hub at Port Freeport.

Developing Port Freeport will enable Volkswagen Group of America to import approx. 140,000 vehicles per year, primarily from its production hubs in Mexico, as well as imports from Europe. Port Freeport will allow utilization of low-emission LNG vessels, supporting Volkswagen Group's goal to improve the environmental footprint of its global logistics.

“Moving Volkswagen Group of America's major Gulf Coast hub to Port Freeport is part of our network and growth strategy for the United States”, said Anu Goel, Executive Vice President, Group After Sales & Services, Volkswagen Group of America, Inc. “We're continuously working to optimize the business and environmental impact of our logistics operations. Our new hub at Port Freeport will allow us to serve nearly one-third of our U.S. dealer network more efficiently

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### Port Freeport

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and more sustainably. We couldn't be more excited to work with Port Freeport and developer KDC on this next chapter."



Currently, Volkswagen Group of America relies on eight ports in the U.S., chosen to optimize distances to its more than 1,000 dealerships and reduce emissions in transportation.

"We are thrilled with Volkswagen Group of America's decision to choose Port Freeport, which offers state-of-the-art infrastructure and is a rapidly growing port with water, highway and rail accessibility. The port's proximity to Houston and access to major manufacturing zones make it an ideal location as Volkswagen's major Gulf Coast hub," said Phyllis Saathoff, Executive Director and CEO, Port Freeport. "We look forward to working with Volkswagen Group of America on their expanding operations over the next twenty years."

"It is an honor to welcome Volkswagen Group of America, a leader in automotive manufacturing, to Port Freeport and this community. The Port's strategic investments in new berths, rail infrastructure, and channel enhancements combined with the quick transit times to berth, bolster their goals for an environmentally sustainable and efficient logistics network solution on the Gulf Coast," said Commissioner John Hoss, Chairman, Port Freeport Commission. "The Port Commission remains committed to delivering on the Port's strategic initiatives, creating jobs and positive economic impacts for the Freeport area, Brazoria County, and the State of Texas."

“We are thrilled by the new partnership with VW. This transaction adds another blue-chip company to PRP’s growing list of first-class tenants,” said Paul Dougherty, President of PRP. “This asset perfectly complements PRP’s net lease portfolio of newer construction facilities leased by high quality investment grade tenants on a long-term basis in strong US logistics markets. We look forward to working with KDC to build this facility for Volkswagen.”

“Working with Volkswagen Group of America to aid the company in delivering vehicles faster to dealerships across America allows us to utilize our development skills to address challenges and produce solutions,” said Toby Grove, President, KDC. “We look forward to breaking ground and supporting Volkswagen’s mission.”

Volkswagen Group of America’s future operations at Port Freeport are anticipated to create 113 jobs directly at the terminal facility plus many more indirectly through related fields such as trucking and rail, vessel unloading, vessel pilots, and more.

“Freeport is excited to welcome our new neighbors to our community”, said Brooks Bass, Mayor of the City of Freeport. “We are looking forward to a mutual beneficial relationship with Volkswagen and its affiliates for years to come. We thank them for their commitment.”

JLL, Volkswagen Group of America’s exclusive real estate partner, assisted VWGoA in the site selection process for a consolidated port facility along the Gulf of Mexico.

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**About Volkswagen Group of America, Inc.**

Volkswagen Group of America, Inc. (VWGoA) is a wholly owned subsidiary of Volkswagen AG (“Volkswagen Group”), one of the world’s leading automobile manufacturers and the largest carmaker in Europe. VWGoA houses the U.S. operations of a worldwide family of distinguished and exciting brands including Audi, Bentley, Bugatti, Lamborghini, and Volkswagen. Volkswagen Group of America Chattanooga Operations, LLC, a wholly owned subsidiary of VWGoA, operates a state-of-the-art assembly facility in Chattanooga, Tennessee, while VW Credit, Inc., another wholly owned subsidiary of VWGoA, provides financial services. VWGoA’s headquarters are in Herndon, Va. The company has approximately 8,000 employees in the United States, and sells its vehicles through a network of approximately 1,000 independent dealers.

**About Port Freeport**

Port Freeport is a leading port in the export of crude oil and natural gas liquids and ranked 6th in chemicals, and 11th in the nation for total 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, CMA CGM, 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 RoRo, Phillips 66, Riviana Foods, Inc., Sallalum Lines, Tenaris, Transfar Shipping PTE. LTD., U.S Department of Energy, Wallenius Wilhelmsen, and Vulcan Materials Company.

**About PRP**

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PRP is a real estate investment management company with a focus on mission-critical logistics and corporate headquarters facilities leased to investment-grade companies on a long-term basis, investments in Opportunity Zones, investments in existing data centers and land zoned for data center use, value-add multifamily apartments and value-add office. Founded in 2005, PRP executes these strategies and asset manages a national portfolio of assets on behalf of its institutional investors, family offices and financial institutions. PRP has proven expertise in selecting and managing attractive risk adjusted real estate investments located in major markets throughout the United States. Since its formation, the company has acquired, developed or invested in over 50 assets with a value in excess of \$6 Billion in all property sectors. PRP is privately held and is headquartered in Washington, DC. PRP is a creative buyer and seller of real estate and considers a variety of equity and debt investment structures. For more information on PRP, please visit [www.prprei.com](http://www.prprei.com).

#### **About KDC**

KDC is a leading corporate development and investment firm for companies across the country. For more than 30 years, KDC has produced approximately 33 million square feet valued at over \$9 billion. KDC addresses the future of Corporate America by developing walkable, mixed-use urban environments anchored by notable clients. Beyond corporate office, the firm specializes in data center and broadcast studio build-to-suits. KDC's portfolio includes developments for FedEx, J.P Morgan Chase, Liberty Mutual, Raytheon, State Farm (Dallas and Atlanta offices), and Toyota North America. KDC is headquartered in Dallas and is supported by a national team with offices in Atlanta and Charlotte, North Carolina.

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