PORT OF HOUSTON EXPANSION

Theldon R. Branch, III
Port Commissioner

October 20, 2014
PORT OF HOUSTON AUTHORITY

- Governmental subdivision chartered by the State
- Governed by a seven-member Commission
- Appointed by Harris County, City of Houston and other neighboring cities
- Owns/operates 8 public terminals - Operating (2) and Landlord Port (6)
PORT COMMISSION

Janiece M. Longoria
Chairman

John D. Kennedy
Dean E. Corgey
Clyde Fitzgerald

Theldon R. Branch, III
Stephen H DonCarlos
Roy D. Mease
TEXAS ECONOMIC IMPACTS

• $178.5 billion in economic impact

• $4.5 billion in state and local taxes

JOB IMPACT

• 1,026,820 Total Related Jobs
2013 HOUSTON AREA EXPORTS

1st Largest export market in the U.S.

$115.0 billion Total exports

11,940 Companies exported from Houston MSA in 2011

93% Small-Medium Business Share of Houston MSA exporters (<500 employees)

Source: www.trade.gov/metrodata

PORT of HOUSTON AUTHORITY
Houston Ship Channel Investments

Survey conducted by Greater Houston Port Bureau

* Economic impact statistics estimated by Martin Associates
STATE & LOCAL MARKET

TEXAS
- 2nd largest state economy in the U.S.
- 2nd largest state – 8% of U.S. population – 26M
- Population + 8.5% over next 5 years
- 51 Fortune 500 companies

HOUSTON
- 4th largest US metro area – 6.1 M
- Population + 9.2% over next 5 years
- 25 Fortune 500 headquarters
- 19th Strongest Economy in the World

Source: Greater Houston Partnership, U.S. Bureau of Economic Analysis, Perryman Group, Texas Comptroller of Public Accounts staff, The Brookings Institution
PANAMA CANAL
PREPARING FOR GROWTH

THE $80 Million PROJECT

DEEPER & WIDER

Terminal channel improvements underway
Increase operating depth from 40 feet to 45 feet at two container terminals
Widen or realign channels by up to 100 feet
Projected completions: Barbours Cut Terminal - December 2014
Bayport Container Terminal - June 2015

Port of Houston Authority
Dredging for the Future

www.portofhouston.com | 713.670.2400

$325 million

A BIGGER and Brighter Future

For 2014, the Port of Houston Authority has identified capital improvement needs of about $325 million. Maintaining and improving efficiency at the public terminals through more modern facilities and equipment is essential to meeting one of our mandates — to promote and facilitate commerce to benefit not only our local partners, but also Texas and the nation.

Port of Houston Authority
America’s Distribution Center

Check out our all-water services at
www.portofhouston.com/map | 713.670.2400
BARBOURS CUT CONTAINER TERMINAL

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>At Built-Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres (ha)</td>
<td>235 acres (95 ha)</td>
<td>235 acres (95 ha)</td>
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<tr>
<td>Berths</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Waterfront ft (m)</td>
<td>6,000 ft (1,830 m)</td>
<td>6,000 ft (1,830 m)</td>
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<tr>
<td>Terminal Capacity</td>
<td>1.2 M teu</td>
<td>2.5 M teu</td>
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<tr>
<td>Equipment (cranes)</td>
<td>4 PP, 5 P</td>
<td>12 SPP</td>
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PHA Capital Investment 2014-2018
- 6 SPP Wharf Cranes - $73 Million
- 2 Wharves Rehab - $86 Million
- Electrical Transmission/Dist. - $21 Million
- 8 RTG's - $15 Million
- Terminal 4 & 5 CY Improvements - $20 Million

10-year Capital Investment - $700 Million
PHASE 1 NEARING COMPLETION

WHARF 1 COMPLETION

CRANE CONSTRUCTION

C5 COMPLETION

C4 CONSTRUCTION
BARBOURS CUT
REDEVELOPMENT PLAN

Redevelop warehouse area to general CY acreage

C-5 REHAB
~10 acres

C-4 REHAB
~10 acres

WHARF 1
• 1300’
• 4 STS CRANES

WHARF 2
• 1000’
• 2 STS CRANES

CHANNEL IMPROVEMENTS

Redevelop warehouse area to general CY acreage
## BAYPORT CONTAINER TERMINAL

### PHA Capital Investment 2014-2018

- 50% complete today
- 6 Wharf SPP Cranes - $73 Million
- Wharves 2 & 6 - $140 Million
- CY 6 North/South - $43 Million
- 3 RTG’s - $6 Million

### Next 10-year Completion - $1 Billion

<table>
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<tr>
<th>Current</th>
<th>At Built-Out</th>
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</thead>
<tbody>
<tr>
<td>Acres (ha)</td>
<td>175 acres (71 ha)</td>
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<tr>
<td>Berth</td>
<td>3</td>
</tr>
<tr>
<td>Waterfront ft (m)</td>
<td>3,330 ft (1,015 m)</td>
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<tr>
<td>Terminal Capacity</td>
<td>900,000 teu</td>
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<tr>
<td>Equipment (cranes)</td>
<td>6 PP, 3 SPP</td>
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</table>
BAYPORT MASTER PLAN
BREAKBULK TERMINALS

PHA Capital Investment 2014-2018
Improvement and replacement projects on wharves, sheds, dock areas, lower-level roads and staging areas – $85 Million
THINK SMALL
PHA’S COMMITMENT TO SMALL BUSINESS

SMALL BUSINESS DEVELOPMENT PROGRAM

- Small Business Goal = 35%
- Small Business Awards = $404 million since 2002 (41% of eligible contracts)
SMALL BUSINESS PROGRAM (SBDP)

OVERVIEW

- Created to provide additional opportunities for local small businesses to participate in contracting and procurement at the Port of Houston Authority.

- Applies to all contracts over $50,000*

- Race-and gender-neutral program.

- Restricted to local small businesses within the 8 counties surrounding Houston (Harris, Montgomery, Waller, Brazoria, Ft. Bend, Galveston, Chambers, Liberty)

*except contracts for sole-source items, federally funded contracts, contracts with other governmental entities, and those contracts that are otherwise prohibited by applicable law or expressly exempted by PHA.
KEY GOALS OF THE PROGRAM

ECONOMIC DEVELOPMENT

- The SBDP is a goal-oriented program, requiring vendors contracting with PHA to use good faith efforts to utilize certified small businesses.
- Local Preference Program

SUSTAINABILITY & GROWTH OF SMALL BUSINESSES

- Port Commission established an aggressive 35% goal
- Training and Development
  - Port University
  - Monthly Networking Forums
  - Interagency Mentor Protégé Program
  - One-on-One meetings with small businesses firms through local Chambers of Commerce and other organizations
HOW TO ENROLL IN THE SBDP

**STEP 1**

**Registration** — in the Port of Houston Authority Vendor Registration System (VIS). Located on our website [www.portofhouston.com](http://www.portofhouston.com)

**STEP 2**

**Certification** — by one of our partnering agencies (City of Houston, METRO, Houston Minority Supplier Development Council, Women’s Business Enterprise Alliance or SBA8(a))

**STEP 3**

**Application** — A one-page affidavit attesting to the firm’s eligibility must be submitted with proof of certification