



PORT HOUSTON

2040 PLAN

COMPREHENSIVE LONG-RANGE PLAN

READY

FOR THE FUTURE





PORT HOUSTON™

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ACKNOWLEDGMENTS

Port Houston would like to recognize the contributions made by its staff, Port Commission, customers, stakeholders, and its consultants SWA Group and CAS Group in the development of this document.

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2040



2040

01

WE ARE READY

INTRODUCTION TO THE 2040 PLAN



ROGER GUENTHER
EXECUTIVE DIRECTOR

LETTER FROM THE EXECUTIVE DIRECTOR

Greetings and welcome to the Port Houston 2040 Plan! As Port Houston moves into its second century and builds on the successful legacy of its past commissioners and staff, we look forward to accelerating the momentum of progress to ensure that our stakeholders continue to enjoy the social and economic benefits it generates, well into the future.

The mission of Port Houston is to Move the World and Drive Regional Prosperity. We have said many times that prosperity starts with quality of life. That means jobs, access to goods, avenues for exports, and growing commerce that works integrally with and for our communities. Events surrounding the global pandemic and social justice in 2020 have emphasized the need to think innovatively and act collaboratively to strive towards economic equality, diversity, and inclusion.

As Port Houston continues its journey into the 21st century, it supports prosperity by fulfilling two main roles.

Firstly, Port Houston is the local sponsor of the Houston Ship Channel, which is the key artery for commerce in and out of the Houston region and a gateway to national and international trade. Without the channel operating safely and efficiently, our regional and national economies cannot be robust and resilient.

Secondly, Port Houston operates public terminals for various cargoes that support every sector of the economy. Operating these terminals provides the financial resilience needed to support Port Houston's vision to be America's Distribution Hub for the Next Generation.

Prosperity also includes continuing to promote healthy relationships with our stakeholders, including the communities where our labor force lives, the industries that provide import and export related jobs, city, county, and state governments, and, most importantly, our constituents across the region. These relationships are integral to Port Houston's planning, which is geared towards long-term resiliency, sustainability, and preparing for the future.

With these important roles as the backdrop, Port Houston will continue to promote prosperity in the region. This requires defining what our priorities should be, what projects need to be developed, what investments are required, and what policies should be pursued. The Port Houston 2040 Plan serves as the blueprint to guide those decisions. Our focus on Channel, Cargo, Community, and Change frames our journey, and we are excited to have you onboard.

Roger Guenther

PORT COMMISSION



RIC CAMPO
CHAIRMAN



DEAN E. CORGEY
COMMISSIONER



CLYDE FITZGERALD
COMMISSIONER



STEPHEN H. DONCARLOS
COMMISSIONER



ROY D. MEASE
COMMISSIONER



WENDY MONTAYA CLOONAN
COMMISSIONER



CHERYL D. CREUZOT
COMMISSIONER

EXECUTIVE SUMMARY

READY FOR THE FUTURE

Port Houston's value as an economic catalyst and community partner is as critical as ever. Its location on the nation's busiest waterway, links to global trade, and diverse cargo moving through its terminals make Port Houston a strategic resource for economic and community success.

The Port Houston 2040 Plan provides a decision-making framework for policies, strategies, initiatives, investments, and actions. Port Houston's long-range planning is centered around its dual role as the local sponsor of the Houston Ship Channel and the operator of public terminals.

Acting on these roles in partnership with the public and private sectors is essential to driving regional prosperity and ensuring that Port Houston is READY for the Future.

PORT HOUSTON 2040 PLAN AT A GLANCE

KNOW the roles — Opportunities, obligations, and assets

ALIGN to strategic goals — People, Infrastructure, Partnerships, and Stewardship

ACT on focused strategies — The "Four C's" and 12 initiatives

INVEST capital — \$1.4 billion over 5 years and potential \$4+ billion over 20 years

DELIVER results — Benefits to the region, state, and nation

ADAPT and adjust annually — A living document

THE FOUR Cs



CHANNEL | SPONSOR HOUSTON SHIP CHANNEL

Support continuing regional growth through channel expansion



CARGO | PROMOTE CORE BUSINESS

Maximize operating performance to support growth



COMMUNITY | ENHANCE COMMUNITY CONNECTIONS

Optimally partner and steward resources to benefit stakeholders



CHANGE | PREPARE PORT OF THE FUTURE

Adapt new trends and technologies to create value, sustainability, and resilience

ABOUT THE 2040 PLAN

The Port Houston 2040 Plan (2040 Plan) is a blueprint for Port Houston's growth and development over the next 20 years. Its purpose is to support informed decision-making while being comprehensive, practical, and adaptable over time. The 2040 Plan is driven by Port Houston's mission and vision as well as by four distinct strategies which emerged through the planning process. These strategies are known as the Four C's – Channel, Cargo, Community, and Change, and are intended to guide the next generation of Port Houston's plans, policies, and investments.

For over a century, Port Houston has worked proactively on its objectives and obligations as a port authority, port operator, navigation sponsor, and responsive and responsible partner to support economic growth. As it continues its journey into the 21st century, Port Houston is taking a holistic approach to its plans for the future to continue to drive regional prosperity. The expansion of the Houston Ship Channel (HSC), in particular, will have transformational effects on Houston's maritime sector. The 2040 Plan identifies initiatives that address a broad range of topics which include infrastructure, operations, emerging technologies, environmental stewardship, safety and security, community partnerships, and market dynamics. These initiatives aim to benefit port users, community stakeholders, port facilities and infrastructure, and support Port Houston's financial resilience for the next 20 years and beyond.

The 2040 Plan was led by Port Houston's Facility Planning Department through a multi-stage process and supported by numerous independent studies and consultations with Port Houston staff to leverage in-house expertise and experience. The process also engaged external stakeholders to form a basis for decision-making and policy development. Port Houston embraces the importance of coordinated efforts to achieve collective goals which has been an important component of its planning process. The Port Commission adopted the 2040 Plan in November 2020.

2040 PLAN OBJECTIVES

- Communicate development plans and infrastructure needs to stakeholders
- Enable flexibility and adaptability to respond to change over time
- Guide long-term planning and decision-making
- Inform policies and prioritize investments

PROCESS TIMELINE



A MARATHON, NOT A SPRINT

The 2040 Plan was prepared in 2020, a year when the future could not have been more uncertain. The years leading up to 2020 held record setting cargo growth across Port Houston. An energy renaissance for the Greater Port of Houston and the U.S. was in ascendance. The maritime industry was undergoing an accelerating techno-evolution providing opportunities to improve efficiencies. Port Houston was proactively preparing for the next generation of global trade with planning for the HSC expansion. Then, in early 2020, an unprecedented event in the form of a global pandemic led to decline in consumer demand causing global trade and economic activity to slow down.

Despite these historic events, the 2040 Plan looks out over the next 20 years. As part of its long-range planning, Port Houston continuously evaluates the impacts of such events and adjusts its short, mid, and long-term implementation initiatives. Technology advancement is likely to keep influencing the maritime industry as well as economic development and innovation, both in the region and globally. Energy demand will continue to be an important component of the regional, state, and national economies with billions already invested in facilities along the HSC. Embracing the 2040 Plan and its adaptable implementation will ensure Port Houston continues to be a catalyst for economic prosperity and job creation for the Houston region and beyond in the decades to come.

THE PORT HOUSTON 2040 PLAN IS DESIGNED TO BE...

-
- ✓ A COMPREHENSIVE BLUEPRINT**
A guide for decision-making on plans, policies, and investments related to Port Houston's assets and operations
 - ✓ FINANCIALLY VIABLE**
Informs Port Houston's ability to maintain financial resilience
 - ✓ MISSION DRIVEN**
Serves as a framework for implementation of goals and objectives through strategies, initiatives, and action plans
 - ✓ A COMMUNICATION PLATFORM**
Sets the foundation for cooperation, coordination, and collaboration with stakeholders to create greater value for the region
 - ✓ ECONOMICALLY VITAL**
Supports long-term benefits to the regional, state, and national economies by facilitating job creation, sustainable development, trade growth, and tax revenue
 - ✓ A LIVING DOCUMENT**
Recognizes the importance of being flexible and adaptable to respond to emerging opportunities and challenges over time



2040

02

PAST AND PRESENT

AN IRREPLACEABLE PORT

A PORT AS BIG AS TEXAS

GREATER PORT OF HOUSTON

The Greater Port of Houston is a 25-mile-long complex of nearly 200 private and public facilities along the 52-mile-long Houston Ship Channel (HSC). It is the largest port on the U.S. Gulf Coast and in the State of Texas. Each year, nearly 285 million tons of cargo moves through the Greater Port of Houston, carried by approximately 9,000 vessels and 200,000 barges. It is currently ranked number one for total waterborne tonnage, and has been number one in foreign waterborne tonnage for the past 24 years. It is the nation's leading breakbulk port and is home to the largest petrochemical complex in the U.S. (second largest in the world).

Centrally located on the Gulf Coast, Houston is a strategic gateway for cargo originating in or destined for the Houston region, the State of Texas, and the U.S. West and Midwest. Houston lies within close reach of one of the nation's largest concentrations of 152 million consumers within 1,000 miles. A vast network of road, rail, and air connections allows shippers to economically transport their goods between the Greater Port of Houston and inland nodes.

PORT HOUSTON

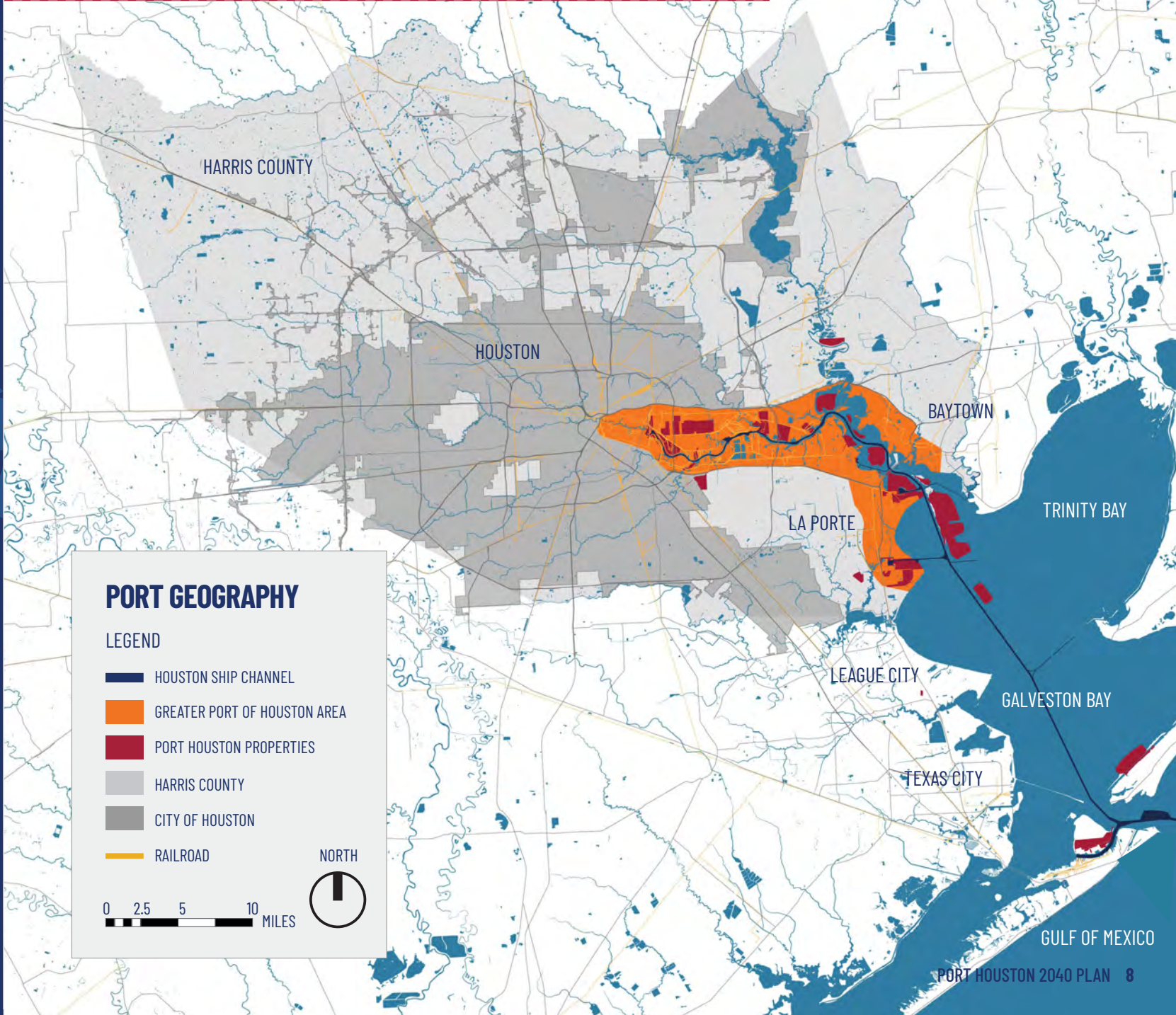
The Port of Houston Authority, known as Port Houston, was established in 1911 as a political subdivision of the State of Texas to help develop maritime commerce. For over a century, Port Houston has played an integral role in the development of the Greater Port of Houston as the local sponsor of the HSC and a catalyst for economic development in the Houston region, the State of Texas, and the nation.

Port Houston owns and operates eight public terminals along the HSC that provide wharfage, dock, warehouse, and other terminal facilities to serve domestic and international customers. Unlike other large ports in the U.S., Port Houston is not compact but rather a constellation of properties that include 6,500 acres of land which supports the maintenance and expansion of the HSC by providing areas for dredged material placement. In addition to operating the public terminals, Port Houston also manages contracts and lease agreements that support the development of port infrastructure and waterways and provides fire and emergency response services to facilities operating in and around the HSC.



WORKING TOGETHER

While they are distinct, both geographically and jurisdictionally, the "Greater Port of Houston" and "Port Houston" work in strategic partnership to drive regional growth. As the local sponsor of the HSC, Port Houston works in conjunction with the U.S. Army Corps of Engineers (USACE) as well as private industries to maintain and improve this federal waterway for the benefit of the Greater Port of Houston. Together, they work with other stakeholders to create a system of commerce that runs smoothly and efficiently, from providing security to handling logistics, directing trade, and protecting the environment.



THE JOURNEY CONTINUES

GREATER PORT OF HOUSTON

PORT HOUSTON

FIRST NAVIGATION IMPROVEMENT
TO BUFFALO BAYOU AND GALVESTON BAY



1857

HOUSTON BECOMES THE SIXTH
LARGEST PORT IN THE U.S.



1930

1870

FIRST FEDERAL CHANNEL SURVEY
SHOWS HSC TO BE 4 FEET DEEP AND
70 FEET WIDE

1911

HARRIS COUNTY HOUSTON SHIP
NAVIGATION DISTRICT IS FORMED,
KNOWING AS PORT HOUSTON TODAY

1924

PORT TERMINAL RAILROAD
ASSOCIATION IS FORMED

1935

WITH GROWTH OF REFINING
FACILITIES, HSC IS DEEPEMED TO 34
FEET AND WIDENED TO 400 FEET

1952

PORT HOUSTON ACQUIRES
LAND AT BARBOURS CUT

HSC ESTABLISHED AS A DEEP-WATER PORT AND IS
DEEPEMED TO 25 FEET AND WIDENED TO 150 FEET



1914

HSC SERVES AS A VITAL ARTERY DURING WORLD WAR II,
GIVING BIRTH TO HOUSTON'S PETROCHEMICAL
INDUSTRY AND THE NEXT DEEPEMED TO 36 FEET



1948

BENEFICIAL USES GROUP FORMED TO DEVELOP
ENVIRONMENTALLY INNOVATIVE WAYS TO USE HSC
DREDGED MATERIAL TO ENHANCE GALVESTON BAY



1990

PORT HOUSTON AND USACE COMMENCE FEASIBILITY
STUDY FOR HSC EXPANSION-PROJECT T1



2012

1977

BARBOURS CUT TERMINAL
BEGINS CONTAINER OPERATIONS

WORLD'S FIRST CONTAINER SHIP, IDEAL X, ON ITS
MAIDEN JOURNEY ARRIVES WITH 58 CONTAINERS



1956

1984

FOREIGN TRADE ZONE 84 ESTABLISHED

1996

FIRST PORT WITH A MULTI-SITE
DISPOSAL AREA MANAGEMENT PLAN

2005

HSC IS DEEPEMED TO 45 FEET AND
WIDENED TO 530 FEET THROUGH
GALVESTON BAY (PROJECT T0) TO BETTER
SERVE HOUSTON'S MANUFACTURING
INDUSTRY

2002

FIRST PORT AUTHORITY IN THE U.S.
TO RECEIVE ISO 14001 CERTIFICATION FOR ITS
ENVIRONMENTAL MANAGEMENT SYSTEM

2008

FIRST PORT AUTHORITY IN THE WORLD TO
RECEIVE ISO 28000 CERTIFICATION FOR ITS
SECURITY MANAGEMENT SYSTEM

BAYPORT TERMINAL BEGINS OPERATIONS



2007

2017

HURRICANE HARVEY IMPACTS
THE GULF COAST AND DRAWS
FOCUS ON RESILIENCE

2020

GLOBAL PANDEMIC: PORT HOUSTON,
USACE, AND PRIVATE INDUSTRY WORK
TOGETHER TO EXPEDITE PROJECT T1

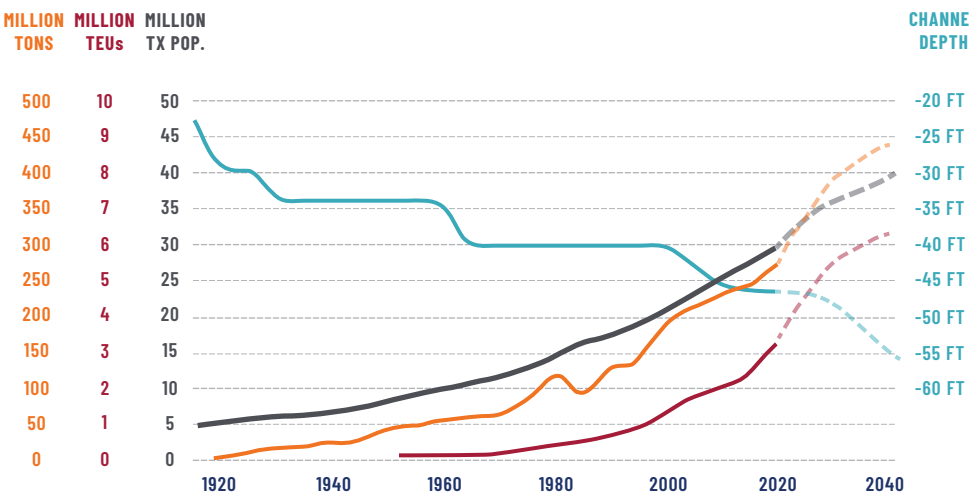
THE INTERNATIONAL PORT OF TEXAS

AN IRREPLACEABLE PORT

Houston is a vibrant, growing international city, fueled by domestic and global trade. Long gone are the days when barges carried cargo to and from the city via the shallow draft of Buffalo Bayou along a long and winding distance to the Gulf of Mexico. Creation of the HSC, which commenced with dredging in 1912, created a protected inland port, supported the oil and cotton businesses, and laid the foundation for the Greater Port of Houston's continued growth and development. Today, the HSC continues to serve a vital role in the regional, state, and national economies. The successful development of Houston's valuable industries including aviation fuel refining, base chemicals, and petrochemicals have earned it the reputation as an "irreplaceable port." (Source: Colliers International, North American Port Analysis, 2012)

CHANNEL IMPROVEMENTS AND GROWTH

Historically, there has been a direct correlation between channel improvements and regional growth. Port Houston will continue to undertake and support significant infrastructure improvements, including expansion of the HSC, to ensure that the Greater Port of Houston can accommodate safer navigation of larger vessels, as well as the expected future population growth in the region.



HOUSTON SHIP CHANNEL ECONOMIC IMPACT (2018)

U.S.

3.2 MILLION JOBS
\$802 BILLION IN ECONOMIC VALUE
\$38.1 BILLION IN TAX REVENUE

TEXAS

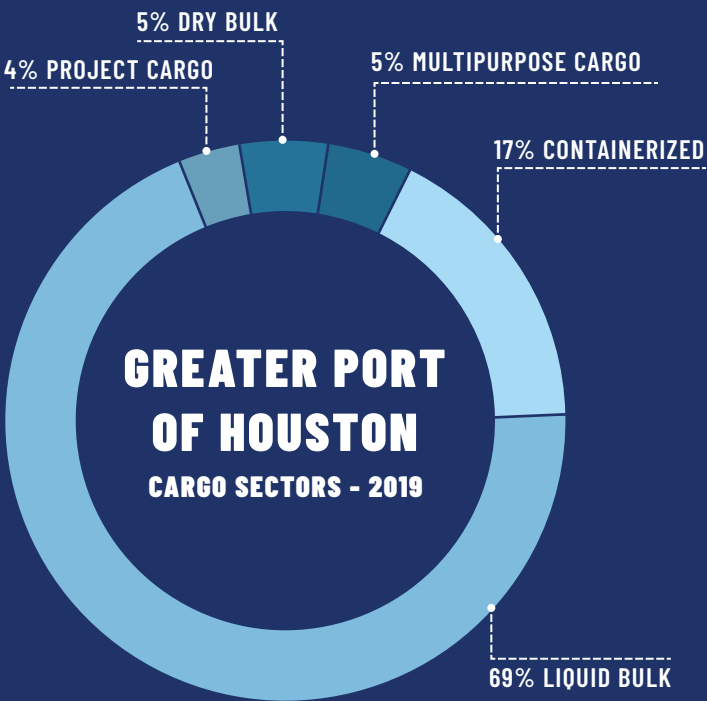
1.35 MILLION JOBS
\$339 BILLION IN ECONOMIC VALUE
\$5.6 BILLION IN TAX REVENUE



AN ESTABLISHED GATEWAY

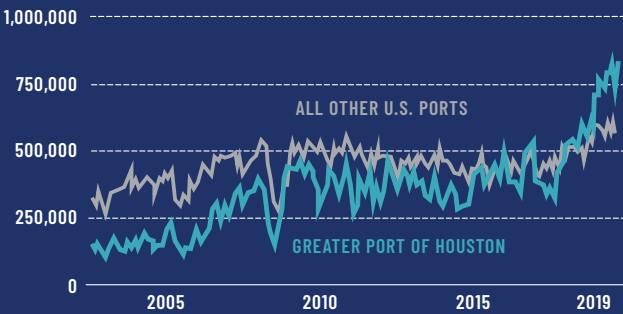
GREATER PORT OF HOUSTON RANKINGS

- #1 U.S. PORT BY TOTAL WATERBORNE TONNAGE
- #1 U.S. PORT BY PETROLEUM, STEEL & PROJECT CARGO
- #1 TEXAS PORT WITH 45% OF MARKET SHARE BY TONNAGE

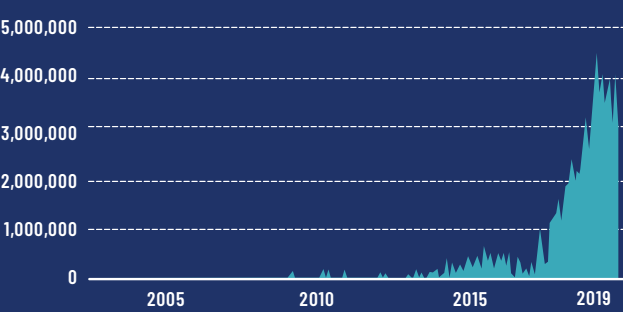


A total of 69% of cargo on the Houston Ship Channel is liquid bulk, making the Greater Port of Houston vital to the nation's petrochemical industry. In comparison to the East and West Coast ports, there is no alternative to the Greater Port of Houston due to its strategic location and the industry it serves. Compared to other U.S. Gulf Coast ports, Houston's energy, security, and inland infrastructure makes it a desirable and attractive gateway. It is also ranked the 16th busiest port in the world.

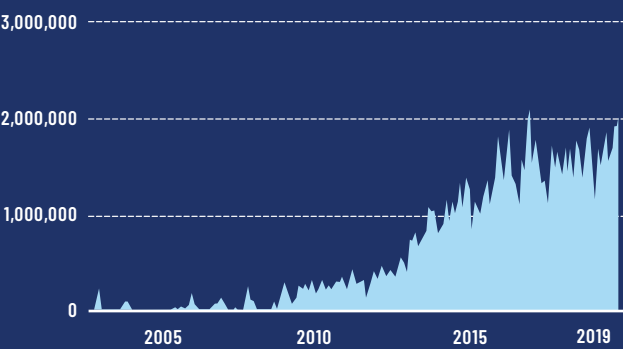
MONTHLY WATERBORNE RESIN EXPORTS (SHORT TONS)



MONTHLY WATERBORNE CRUDE OIL EXPORTS (SHORT TONS)



MONTHLY WATERBORNE PROPANE EXPORTS (SHORT TONS)



PORT HOUSTON ROLES

DUAL VALUE PROPOSITION

Port Houston has a dual value proposition as a facilitator of commerce and economic development—it is the local sponsor of the HSC and the operator of public terminals. Port Houston's success requires being competitive nationally and internationally with private and public entities to promote trade through its terminals. It also depends upon generating revenue to both support operations as well as to reinvest in facilities and other projects that provide benefits to customers, stakeholders, and the public-at-large. The effectiveness of Port Houston's roles in facilitating commerce, safe navigation, and generating economic development are reflected in both the continued success of its own terminals as well as the success of the Greater Port of Houston.

LOCAL SPONSOR OF THE HSC

In its role as the local sponsor, Port Houston partners with USACE in developing and maintaining the HSC for the benefit of the Greater Port of Houston. This includes working to secure funding and appropriations for channel expansion, maintenance dredging, management of dredged material placement areas, and other channel-related projects to ensure optimal functioning of this vital national resource. As an additional funding source, Port Houston also has the ability to collect tariffs from channel users to support channel-related work.

In addition to these roles, Port Houston is a member of the Port Terminal Railroad Association (PTRA), which operates on property owned by Port Houston. PTRA was formed in 1924 and facilitates railroad access and services to its members and the industries along the Greater Port of Houston.

OPERATOR OF PUBLIC TERMINALS

Port Houston promotes and facilitates commerce by providing efficient and cost-effective marine terminals for its customers and stakeholders. This is accomplished primarily through Port Houston's eight public terminals which handle general cargo, containers, bulk materials, and other types of cargo that are traded in the domestic and international markets. Port Houston further supports maritime commerce through national and international trade development activities, including cooperative agreements with international organizations and local infrastructure investments.

PORT HOUSTON GOVERNANCE

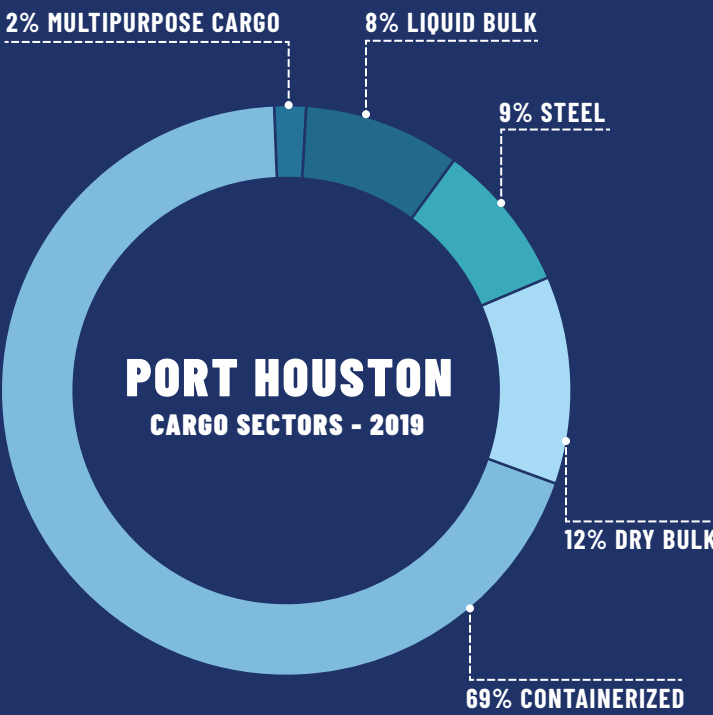
Port Houston is governed by a seven-member Port Commission. In addition to the powers and duties set forth in various statutes of the State of Texas, the Port Commission is responsible for developing and implementing the general policies of Port Houston, including the adoption of annual capital and operating budgets, setting the goals for the organization, and awarding contracts.



A VERSATILE HUB

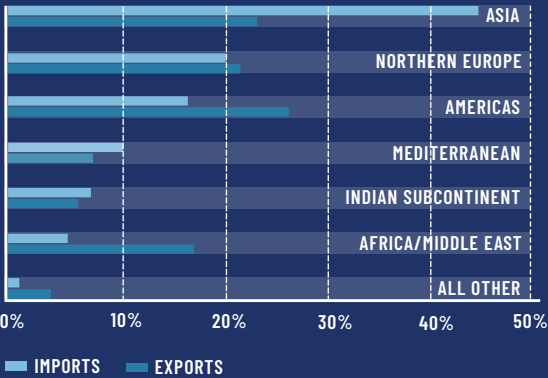
PORT HOUSTON RANKINGS

- #1 U.S. GULF COAST CONTAINER PORT HANDLING 69% OF CONTAINER TRAFFIC
- #1 TEXAS PORT WITH 96% MARKET SHARE IN CONTAINERS
- #6 U.S. CONTAINER PORT BY TOTAL TEUs

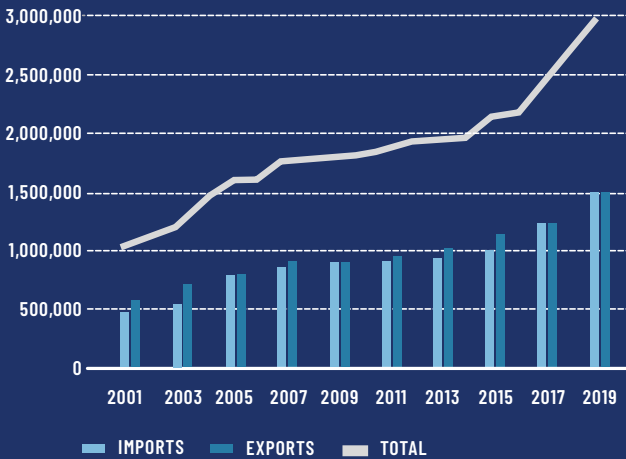


In addition to handling the largest volume of container traffic on the U.S. Gulf Coast, Port Houston handles a number of other commodities from steel to heavy lift project cargoes to wind turbines and blades. Houston has earned its place as the national leader for breakbulk cargo due to the large laydown areas located adjacent to its general cargo and heavy lift docks, both of which provide flexibility for multipurpose vessels.

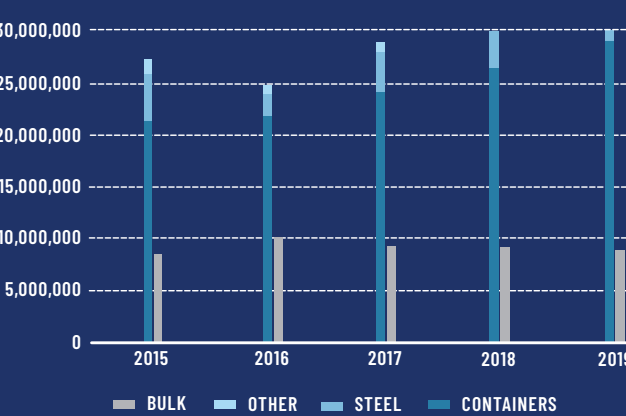
IMPORTS & EXPORTS BY TRADE REGION (PERCENTAGE)



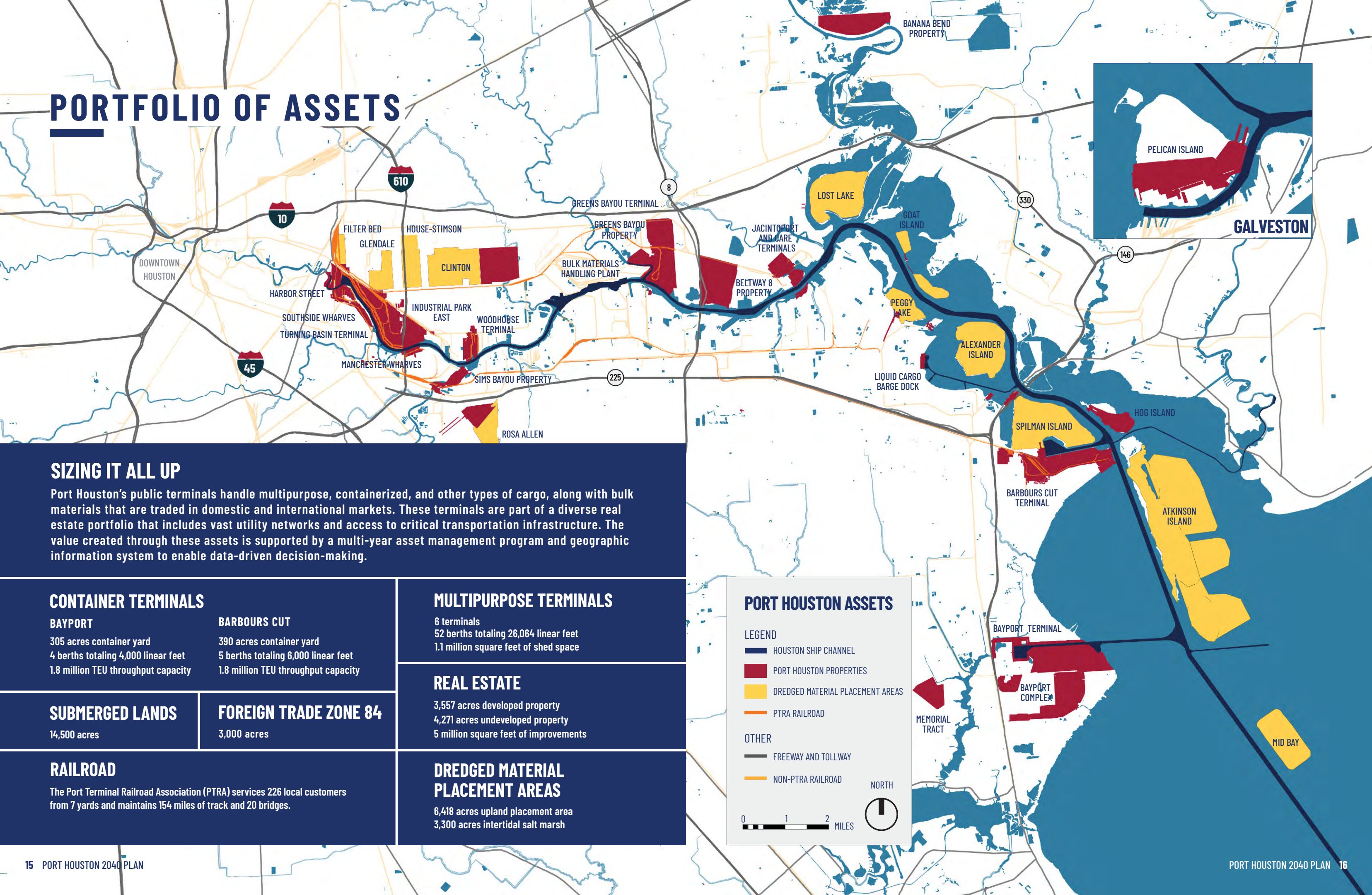
CONTAINER EXPORTS & IMPORTS (NUMBER OF UNITS)



PORT HOUSTON TOTAL TONNAGE (SHORT TONS)



PORTFOLIO OF ASSETS



SIZING IT ALL UP

Port Houston’s public terminals handle multipurpose, containerized, and other types of cargo, along with bulk materials that are traded in domestic and international markets. These terminals are part of a diverse real estate portfolio that includes vast utility networks and access to critical transportation infrastructure. The value created through these assets is supported by a multi-year asset management program and geographic information system to enable data-driven decision-making.

CONTAINER TERMINALS

BAYPORT

305 acres container yard
4 berths totaling 4,000 linear feet
1.8 million TEU throughput capacity

BARBOURS CUT

390 acres container yard
5 berths totaling 6,000 linear feet
1.8 million TEU throughput capacity

SUBMERGED LANDS

14,500 acres

FOREIGN TRADE ZONE 84

3,000 acres

RAILROAD

The Port Terminal Railroad Association (PTRA) services 226 local customers from 7 yards and maintains 154 miles of track and 20 bridges.

MULTIPURPOSE TERMINALS

6 terminals
52 berths totaling 26,064 linear feet
1.1 million square feet of shed space

REAL ESTATE

3,557 acres developed property
4,271 acres undeveloped property
5 million square feet of improvements

DREDGED MATERIAL PLACEMENT AREAS

6,418 acres upland placement area
3,300 acres intertidal salt marsh

PORT HOUSTON ASSETS

LEGEND

- HOUSTON SHIP CHANNEL
- PORT HOUSTON PROPERTIES
- DREDGED MATERIAL PLACEMENT AREAS
- PTRA RAILROAD
- OTHER
- FREEWAY AND TOLLWAY
- NON-PTRA RAILROAD

0 1 2 MILES

NORTH



2040

03

FOUNDATION FOR
THE **FUTURE**

THE PLANS OF PORT HOUSTON

FOUNDATION FOR THE FUTURE

PORT HOUSTON MISSION, VISION, VALUES

Port Houston’s mission, vision, and values form the foundation for each of its undertakings. Its commitment to work collectively to fulfill expectations defines Port Houston’s success.

MISSION “TO MOVE THE WORLD AND DRIVE REGIONAL PROSPERITY”

- ✓ By operating and leasing terminals and supporting channel users, Port Houston enables imports and exports to move between Houston and the rest of the world
- ✓ Port Houston creates economic prosperity and jobs for the region and beyond

VISION “AMERICA’S DISTRIBUTION HUB FOR THE NEXT GENERATION”

- ✓ A global leader in facilitating imports and exports
- ✓ With increased market share due to superior efficiency, service, and innovation
- ✓ With increased channel capacity and inland multimodal freight mobility
- ✓ Developing an engaged and diverse regional workforce and supplier base

VALUES “WE ARE READY”

- ✓ “We are READY” captures the spirit of the organization: Port Houston is ready to serve, and ready for what the future may bring – it has the right infrastructure, the right plans, and the right people

RESPECT **E**XCELLENCE **A**CCOUNTABILITY **D**ILIGENCE **Y**OU

A COLLECTIVE COMMITMENT

PORT HOUSTON'S PLANS

A lot is changing at Port Houston, and with a number of opportunities and challenges as a backdrop, its aim is to be ready for change through advanced planning. Port Houston’s plans are developed on multiple fronts, which are grounded in its mission, vision, and values, and are informed by complex interactions with stakeholders. Collectively, its plans contribute to form a framework for day-to-day and long-term decision-making. From the goals and objectives of the Strategic Plan to the strategies and initiatives of the 2040 Plan to specific Action Plans, Port Houston’s plans are thoughtfully developed and implemented. These plans ensure resource availability to achieve short, mid, and long-range goals. Values seldom change, but plans adjust as needed—the 2040 Plan is a “living document” that will be evaluated annually.



STRATEGIC PLAN

GOALS AND OBJECTIVES

Port Houston reviews its strategic plan every five years and adopted the latest edition in January 2020. The mission, vision, and values were retained from the previous edition, and four new or modified strategic goals, People, Infrastructure, Partnerships, and Stewardship, were identified to meet the evolving needs of Port Houston as an organization and its stakeholders. The goals and objectives of the Strategic Plan, listed below, guide Port Houston's planning and are supported by the 2040 Plan.



PEOPLE:

"BE THE BEST PLACE TO WORK"

- Retain, engage, develop, and attract talent
- Foster a culture of diversity and inclusion, innovation, and open communication
- Deliver excellence and continuous improvement in all core functions



INFRASTRUCTURE:

"OPTIMIZE INFRASTRUCTURE AND CHANNEL CAPACITY TO SERVE THE REGION"

- Widen, deepen, and maintain the Houston Ship Channel
- Drive development of landside infrastructure and inland distribution networks
- Enhance efficiency and resilience through innovative technology and other means



PARTNERSHIPS:

"DEVELOP AND STRENGTHEN EXTERNAL PARTNERSHIPS"

- Cultivate key relationships to accomplish common goals
- Demonstrate transparency and accountability
- Engage in proactive two-way communication



STEWARDSHIP:

"CREATE GREATER VALUE FOR THE REGION"

- Implement an innovative environmental leadership strategy
- Prepare for disruptive events and mitigate their impact
- Support development of a robust regional maritime workforce
- Support sustainable growth of Port Houston and the Greater Port of Houston

KEEPING PEOPLE FIRST

A PROGRESSIVE WORKPLACE

Port Houston's continued growth is grounded in its people who are also its most important asset. From enabling record cargo growth to fostering global partnerships and investing in community initiatives, people make it possible. With its commitment to strive towards economic equality, social justice, diversity and inclusion, and innovation, Port Houston recognizes the need to invest in people, both internally and more broadly. For its continued success as an organization, Port Houston's key focus includes the development of a system for knowledge sharing, open and transparent communication, fostering positive relationships, working collaboratively to achieve the desired outcomes, and recognizing accomplishments.

Through its collaborative strategic planning process, Port Houston has established a clear path for the future. Its mission, vision, and values serve as the foundation for its business strategy and organizational culture. Since the adoption of its prior Strategic Plan in 2015, Port Houston has made significant progress in developing a people-focused culture which is reflected in improved employee retention and enhanced employee benefits. Through its renewed Strategic Plan in 2020, Port Houston will continue to cultivate a culture that supports attracting and harnessing talent, building capability, delivering excellence, stimulating teamwork, and encouraging continuous improvement to approach the existing and new challenges with a proactive mindset.

ALIGN STRATEGY & CULTURE

Recognize interdependencies and equip cross-functional teams with the right tools and resources to effectively lead projects

CULTIVATE A SKILLED WORKFORCE

Develop a highly skilled, agile, and competitive workforce that is empowered to lead productivity and innovation

FOSTER DIVERSITY & INCLUSION

Embrace cultural integration of diversity and inclusion concepts and activities into what is considered "normal business"

COMMUNICATE & COLLABORATE

Encourage teamwork, improve knowledge sharing, and harness adaptable skills and ideas to achieve common goals

DEVELOP FUTURE LEADERS

Focus on employee potential, set support systems in place, and provide mentoring and coaching

LEAD CHANGE

Prepare, equip, and support successful adoption of evolving technology to drive organizational success

PLANS TRANSLATE VISION INTO ACTION

2040 PLAN FRAMEWORK

The 2040 Plan serves to position Port Houston to respond to short, mid, and long-range opportunities by providing a flexible, adaptable, and comprehensive blueprint for future growth and development. To drive the goals and objectives of the Strategic Plan to execution, the strategies of the 2040 Plan provide a basis for informed decision-making. These strategies serve as a framework for the implementation of initiatives, capital investment plans, and action plans. Continual review and refinement of the 2040 Plan will enable Port Houston to respond to new opportunities and challenges over the life of the plan.

The 2040 Plan is not meant to detail every initiative, program, or activity Port Houston plans to undertake through the planning horizon. Instead, it provides guidance for making long-term strategic decisions, informing policies, and helping to prioritize investments to ensure Port Houston continues to create greater value for the region.

 **FOUNDATION**

MISSION, VISION, VALUES

As a collective commitment, Port Houston's mission, vision, and values provide the foundation for each of its undertakings to establish a path for the future.

 **DIRECTION**

STRATEGIC PLAN

The goals and objectives of the Strategic Plan provide a roadmap for Port Houston's continued growth and success.

 **IMPLEMENTATION**

COMPREHENSIVE LONG-RANGE PLAN

With its strategies and initiatives, the 2040 Plan provides the blueprint for Port Houston's development over the next 20 years.

2040

THE FOUR Cs OF THE 2040 PLAN

LONG-RANGE PLANNING STRATEGIES

Port Houston's contributions in driving regional prosperity are encompassed in its diverse roles: as the local sponsor of the Houston Ship Channel, an operator of public terminals, a partner in the community, and a steward of sustainable growth. These roles are embodied in the 2040 Plan's key planning strategies known as the Four Cs - Channel, Cargo, Community, and Change.

			
CHANNEL	CARGO	COMMUNITY	CHANGE
SPONSOR HOUSTON SHIP CHANNEL	PROMOTE CORE BUSINESS	ENHANCE COMMUNITY CONNECTIONS	PREPARE PORT OF THE FUTURE
Support continuing regional growth through channel expansion	Maximize operating performance to support growth	Optimally partner and steward resources to benefit stakeholders	Adapt new trends and technologies to create value, sustainability, and resilience
INITIATIVES	INITIATIVES	INITIATIVES	INITIATIVES
 HSC EXPANSION WIDER, DEEPER, SAFER	 CONTAINERS BUILD CAPACITY AND OPTIMIZE OPERATIONS	 COMMUNITY PARTNERSHIPS PROJECT-FOCUSED ENGAGEMENT	 MARKET DYNAMICS ADAPT TO TRENDS AND CHANGES
 DREDGED MATERIAL MANAGEMENT EXPAND BENEFICIAL USE	 MULTIPURPOSE OPTIMIZE OPERATIONS AND INCREASE FLEXIBILITY	 ENVIRONMENTAL STEWARDSHIP SUSTAINABLE BUSINESS PRACTICES	 EMERGING TECHNOLOGY MAXIMIZE SUPPLY CHAIN VISIBILITY AND VELOCITY
 SUBMERGED LANDS MANAGE AND OPTIMIZE ASSET	 REAL ESTATE DEVELOP AND INTEGRATE WITH SUPPLY CHAINS	 REGIONAL COMPETITIVENESS SUPPORT FREIGHT MOBILITY INITIATIVES	 SAFETY AND SECURITY PREPARED AND RESPONSIVE MUTUAL AID



2040

04

THE FOUR Cs
2040 PLAN STRATEGIES



CHANNEL

SPONSOR

HOUSTON SHIP CHANNEL

HSC EXPANSION

WIDER, DEEPER, SAFER

For more than a century, commerce has moved along the Houston Ship Channel (HSC), connecting the region to the world of trade and establishing the Greater Port of Houston as an economic engine for the region, the State of Texas, and the nation. The 52-mile long HSC serves nearly 200 diverse private and public facilities, including the nation's largest petrochemical manufacturing complex.

The success of HSC is the result of ongoing federal and local commitment in supporting and funding channel improvements over time. Through collaboration and investment, the HSC has become the nation's most active waterway and has more deep-draft ship visits than any other port in the country. As the nation's busiest waterway, the HSC must be expanded to accommodate increasing vessel sizes. This will ensure safe and efficient two-way navigation and will facilitate economic growth now and for the future.

As the local sponsor of the HSC, Port Houston is partnering with the U.S. Army Corps of Engineers (USACE) as well as private industry to expand the channel at an accelerated pace. The Houston Ship Channel Expansion—Project 11, is comprised of eight segments and will widen the channel along its Galveston Bay reach from 530 feet to 700 feet, deepen the upstream segments between 39 feet and 46.5 feet, make other safety and efficiency improvements, and develop new environmental features. Under the accelerated plan, construction may begin in 2021 with a goal to ensure that this critical waterway continues to support national energy security, growth of domestic manufacturing and U.S. exports, and expanding job opportunities.

Port Houston recognizes that continuous improvements to the HSC are needed to support navigation safety and economic growth. As such, it has commenced planning for Project 12 and beyond.

OPPORTUNITIES

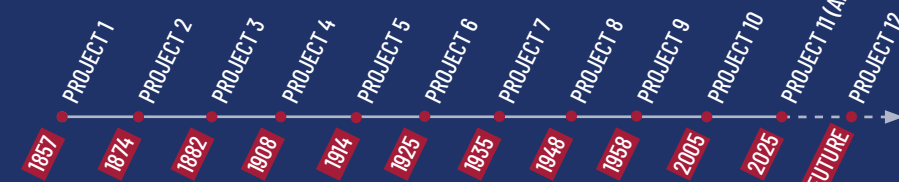
- Improve collaboration with local, state, and federal agencies and stakeholders for channel improvements
- Explore options for expediting traditional federal funding and approval and use of non-traditional funding sources
- Enhance channel resilience through flood and sediment control
- Employ new technology to improve shoaling prediction



CHANNEL EXPANSION IS CRITICAL

Improving the Houston Ship Channel means economic growth and a safer, more efficient waterway with two-way navigation.

No channel, No port
No port, No cargo
No cargo, No commerce
No commerce, No jobs



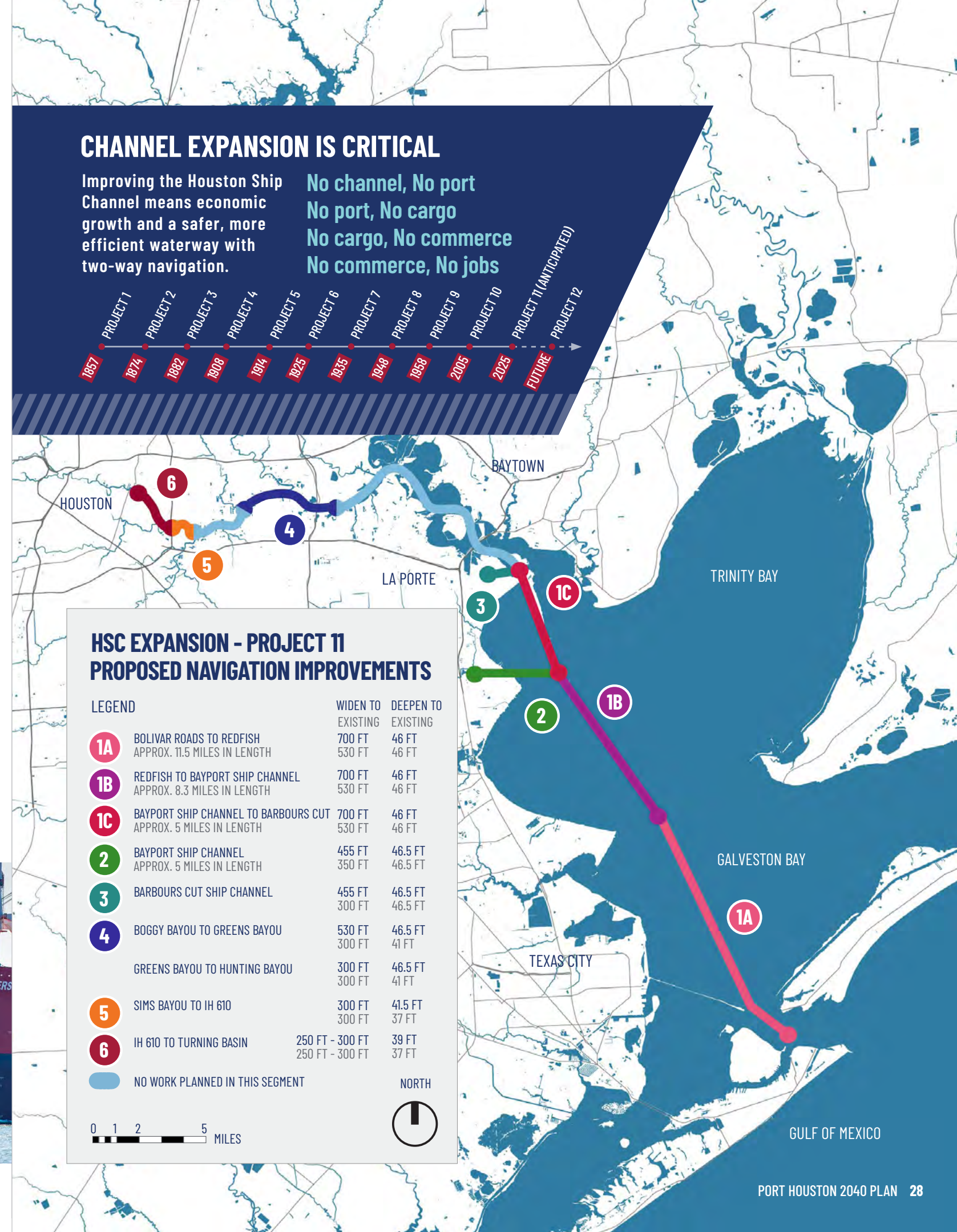
HSC EXPANSION - PROJECT 11 PROPOSED NAVIGATION IMPROVEMENTS

LEGEND

- 1A BOLIVAR ROADS TO REDFISH
APPROX. 11.5 MILES IN LENGTH
- 1B REDFISH TO BAYPORT SHIP CHANNEL
APPROX. 8.3 MILES IN LENGTH
- 1C BAYPORT SHIP CHANNEL TO BARBOURS CUT
APPROX. 5 MILES IN LENGTH
- 2 BAYPORT SHIP CHANNEL
APPROX. 5 MILES IN LENGTH
- 3 BARBOURS CUT SHIP CHANNEL
- 4 BOGGY BAYOU TO GREENS BAYOU
GREENS BAYOU TO HUNTING BAYOU
- 5 SIMS BAYOU TO IH 610
- 6 IH 610 TO TURNING BASIN
- NO WORK PLANNED IN THIS SEGMENT

	WIDEN TO EXISTING	DEEPEN TO EXISTING
1A	700 FT 530 FT	46 FT 46 FT
1B	700 FT 530 FT	46 FT 46 FT
1C	700 FT 530 FT	46 FT 46 FT
2	455 FT 350 FT	46.5 FT 46.5 FT
3	455 FT 300 FT	46.5 FT 46.5 FT
4	530 FT 300 FT	46.5 FT 41 FT
	300 FT 300 FT	46.5 FT 41 FT
5	300 FT 300 FT	41.5 FT 37 FT
6	250 FT - 300 FT 250 FT - 300 FT	39 FT 37 FT

0 1 2 5 MILES





CHANNEL

SPONSOR
HOUSTON SHIP CHANNEL

DREDGED MATERIAL MANAGEMENT

EXPAND BENEFICIAL USE

As the local sponsor of the HSC, Port Houston and its federal partner USACE provide annual maintenance dredging and continual actions to expand and deepen the channel, and minimize shoaling occurrences. This partnership supports nearly 200 private and public direct users and maintains the channel's readiness to support national and international commerce in the greater Houston region.

Along with the USACE and the Beneficial Uses Group, a coalition of eight federal and state government agencies, Port Houston develops and implements a 50-year Dredged Material Management Plan to meet its dredged material placement needs. As part of this ongoing effort, Port Houston provides upland and submerged land rights-of-way in Harris County for the maintenance of the federal navigation project, inclusive of approximately 4 to 7 million cubic yards of annual maintenance material. In addition, 31 million cubic yards

of dredged material is anticipated to be generated from Project 11. Through Section 217 of the Water Resources Development Act 1996, Port Houston has extended its ability to dredge and place maintenance material into its placement areas from private terminals.

Securing large upland Dredged Material Placement Areas (DMPAs) is increasingly difficult and expensive, especially in the high-growth industrialized corridor of the HSC. As such, sediment reuse from upland sites needs to be fully evaluated and considered to maintain DMPA capacity. Expansion of the existing offshore Ocean Dredged Material Disposal Site and creation of Bay Aquatic Beneficial Use Sites (BABUS) are also being assessed. Beneficial use, via the creation of environmental upland or submerged habitat or beach placement of suitable sediment, may be required to be fully expanded and considered to meet the dredged material placement demand.

OPPORTUNITIES

- Create Bay Aquatic Beneficial Use Sites and expand offshore Ocean Dredged Material Disposal Site
- Reuse sediment from existing upland Dredged Material Placement Areas (DMPAs)
- Evaluate acquisition of new upland DMPAs
- Develop DMPAs for commercial use



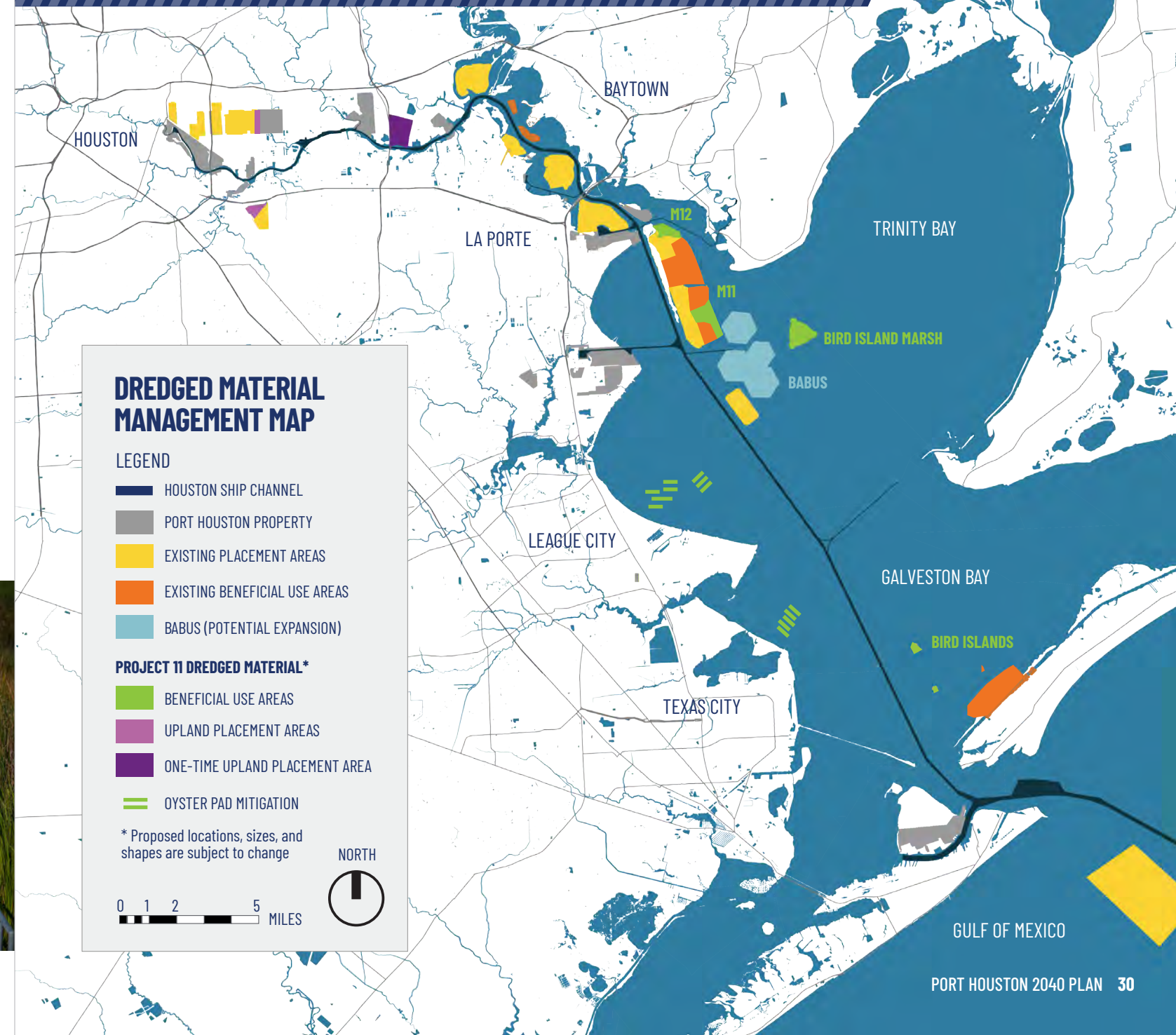
ENVIRONMENTAL BENEFITS

As an integral part of its planning process, Port Houston continuously works with its partners to address potential environmental impacts associated with HSC improvements and the economic benefits it provides. Building on the success of using dredged material for beneficial uses, Project 11 aims to deliver new environmental benefits by creating:

Five bird islands providing up to 20 acres of new foraging and nesting habitat

Three new marshes adding up to 8,000 acres to the coastal ecosystem

Oyster reef pads establishing 376 acres of growth-enabling habitat





CHANNEL

SPONSOR
HOUSTON SHIP CHANNEL

SUBMERGED LANDS

MANAGE AND OPTIMIZE ASSET

In 1927, the State of Texas granted Port Houston the authority to manage and regulate submerged lands in and around the Greater Port of Houston. Submerged lands are the lands within the jurisdiction of Port Houston that lie beneath the HSC and the other waters of Buffalo Bayou, as well as beneath the tributaries to the HSC and Buffalo Bayou. Today, Port Houston stewards 14,500 acres of submerged land. The economic growth in the Houston region, which includes barge fleet activity, continues to drive active and innovative use of submerged lands while protecting navigation and public interests.

Currently, over 200,000 barges transit the HSC annually. Increasing barge traffic and demand for barge fleet areas has resulted in resource management concerns associated with congestion of the waterways and increased barge activity along banks which lack mooring infrastructure. Port Houston's barge

fleet leasing policy, standards, and procedures are intended to support suitable leasing of submerged lands for barge fleet which facilitates safe and efficient commerce and navigation, considers the needs of interested parties, and puts this important public resource to safe, productive, and appropriate use.

The barge fleet leasing program is the foundation for a more comprehensive submerged lands program which may encompass private vessel docks and wharves and usable mooring spaces along the HSC and Buffalo Bayou and their tributaries. In addition to this, Port Houston also has a robust license and permit program which supports the stewardship of submerged lands by regulating pipeline and utility crossings, marine construction and dredging permits, and dredged material placement areas.

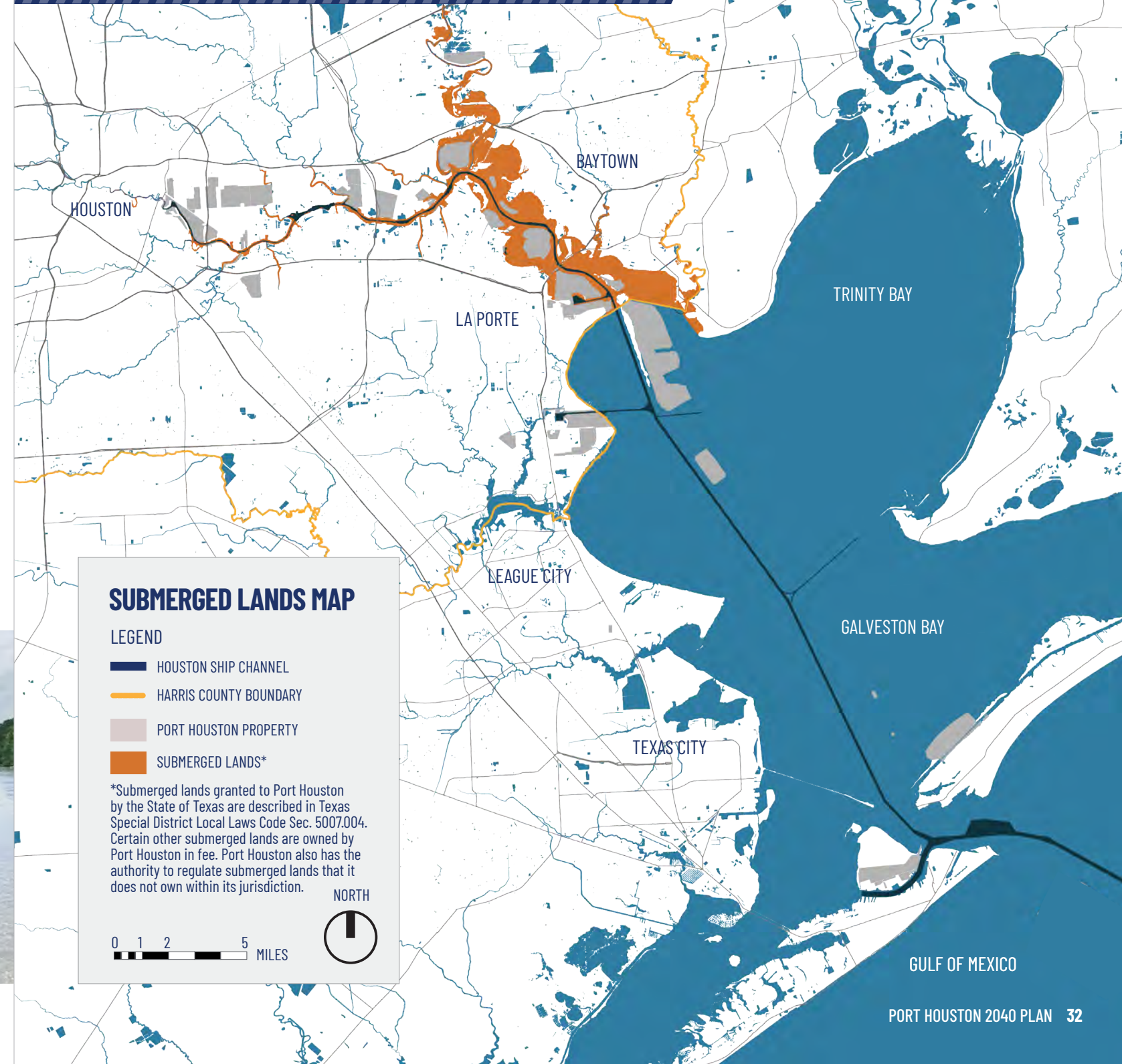
OPPORTUNITIES

- Evaluate potential for the development of open water facilities
- Support environmental resilience efforts and initiatives
- Optimize and expand submerged lands program
- Facilitate safer navigation



STEWARDSHIP OF ASSET

Bestowed by the State of Texas, Port Houston stewards the submerged lands to balance the needs of port users as well as to generate revenue for reinvesting in port infrastructure. Port Houston has the authority to authorize, establish, regulate, and lease structures for facilitating and accommodating commerce and navigation.





CARGO
PROMOTE
CORE BUSINESS

CONTAINER

BUILD CAPACITY AND OPTIMIZE OPERATIONS

Port Houston handles approximately two-thirds of the containerized cargo on the U.S. Gulf Coast and is the fastest growing amongst the top ten container ports in the nation. As a major international gateway, Port Houston's container terminal operations support the growth of the regional and state economies, with key imports in hardware and construction materials, machinery, appliances, electronics, and retail consumer goods. They also handle key exports of plastic resins, petrochemicals, and various agriculture and automotive commodities.

Port Houston's Barboours Cut and Bayport container terminals have experienced record growth in recent years. Demand forecasts demonstrate the need for expanded terminal capacity to accommodate increasing container volumes through 2040. Port Houston has developed simulation models to examine terminal capacity under a range of operational and technological scenarios to support a

build strategy and accommodate growth. Port Houston aims to build capacity ahead of the demand curve through expansion and recapitalization within the existing footprint of its container terminals. The ultimate buildout could increase the annual capacity of the container terminals to an estimated seven million TEUs.

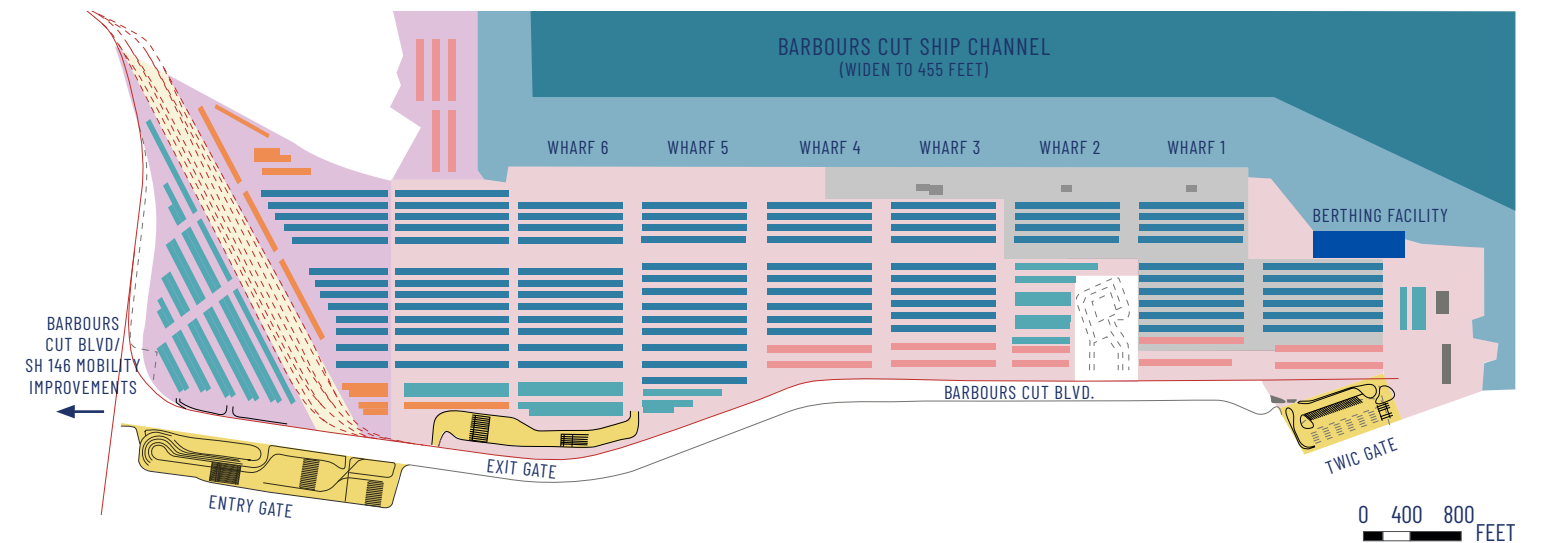
Container terminal improvements are phased through the planning horizon with consideration for continuous evaluation and implementation of process optimization initiatives. These are aimed at improving terminal efficiency, providing quality service to customers, and driving growth. Staying ahead of the demand curve will enable Port Houston to maintain high service levels, which its customers and stakeholders expect. To accommodate future growth, Port Houston is also evaluating opportunities for the development of a new coastal terminal and an inland intermodal terminal.

OPPORTUNITIES

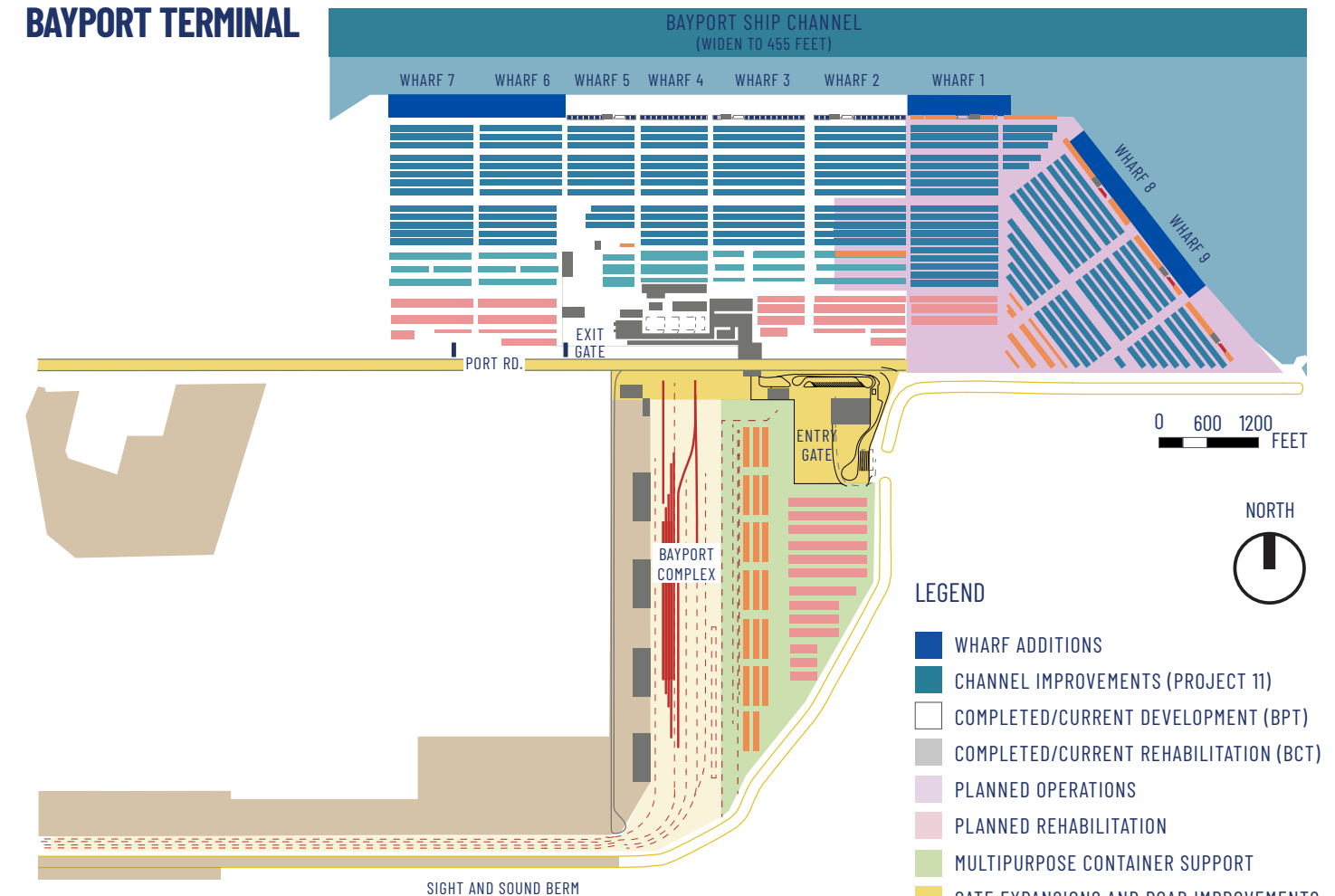
- Integrate emerging technologies and innovation with terminal operations
- Increase cargo handling efficiency and capacity
- Evaluate alternatives for future added capacity
- Enhance customer service



BARBOOURS CUT TERMINAL



BAYPORT TERMINAL



LEGEND

- WHARF ADDITIONS
- CHANNEL IMPROVEMENTS (PROJECT 11)
- COMPLETED/CURRENT DEVELOPMENT (BPT)
- COMPLETED/CURRENT REHABILITATION (BCT)
- PLANNED OPERATIONS
- PLANNED REHABILITATION
- MULTIPURPOSE CONTAINER SUPPORT
- GATE EXPANSIONS AND ROAD IMPROVEMENTS
- RAIL/INTERMODAL/ITS CORRIDORS
- FUTURE LOGISTICS/BUSINESS PARK
- IN DEVELOPMENT/PLANNED RAIL AND INTERMODAL TRACK
- CONTAINER OPERATIONS:
■ GROUNDED, WHEELED, REFRIDGERATED, EMPTY

NOTE: ALL DEPICTIONS ARE CONCEPTUAL AND DO NOT IMPLY IMPACTS TO CURRENT OR FUTURE OPERATIONS OR TENANT ARRANGEMENTS.



CARGO
PROMOTE
CORE BUSINESS

MULTIPURPOSE



OPTIMIZE OPERATIONS AND INCREASE FLEXIBILITY

Port Houston is a national leader in breakbulk, steel, and other project cargo. Port Houston's six multipurpose facilities are uniquely designed to handle a wide range of cargo types and customer needs. These facilities include the Bulk Materials Handling Plant, Care, Houston Public Grain Elevator #2, Jacintoport, Woodhouse (Richardson Steel), and Turning Basin. The cargoes handled range from oilfield equipment, grain, steel, and heavy lift project cargo to wind turbines and blades.

The Turning Basin terminal is the largest of these multipurpose facilities, with approximately 1,000 acres along the HSC. With its public docks, it has been providing steadfast cargo handling opportunities for over a century and long-range forecasts indicate sufficient capacity to handle cargo volumes through 2040. As Port Houston moves into the future, it is evaluating opportunities to optimize this terminal's utilization and operational flexibility.

Optimization at Port Houston is focused around making a process, terminal operation, design, or decision as effective and as functional as possible. In addition to improving productivity and reducing operational costs, it also represents a new approach to managing facilities which focuses on efficiency and addresses the trade-off between vessel service time, terminal capacity, and cost per move. Alternative terminal configurations and operational scenarios, with consideration for transportation and community connections, help provide Port Houston a holistic perspective of options for improving cargo operations within an optimized terminal footprint.

Port Houston's potential future use of its multipurpose facilities is supported by market forecasts, emerging economic opportunities, labor practices, and logistics. It analyzes the anticipated impact of cargo flows to inform planning and decision-making.

OPPORTUNITIES

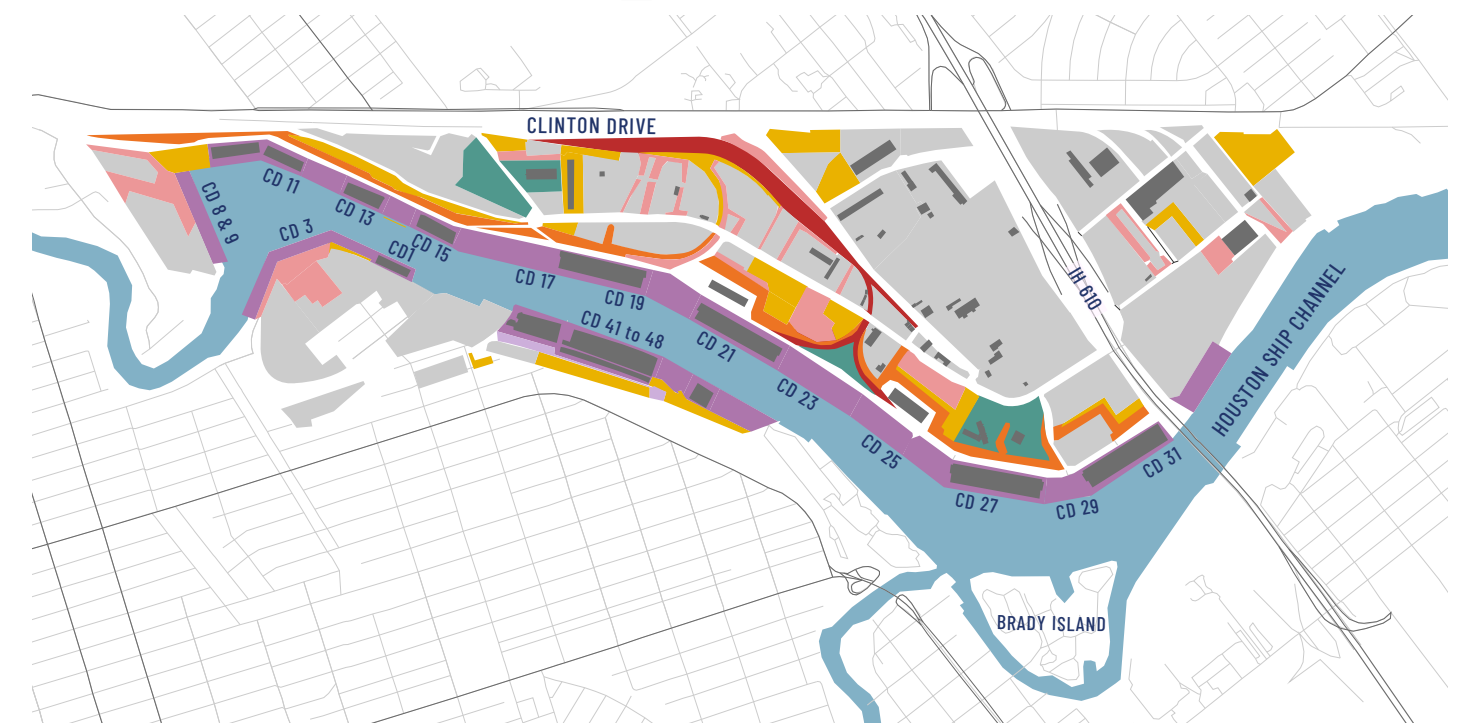
- Assess current terminal operations and utilization
- Evaluate optimization and operational flexibility
- Explore alternative configurations and repurposing of terminal areas
- Identify implications of optimized terminal footprint



TURNING BASIN: CURRENT LAND USE

LEGEND

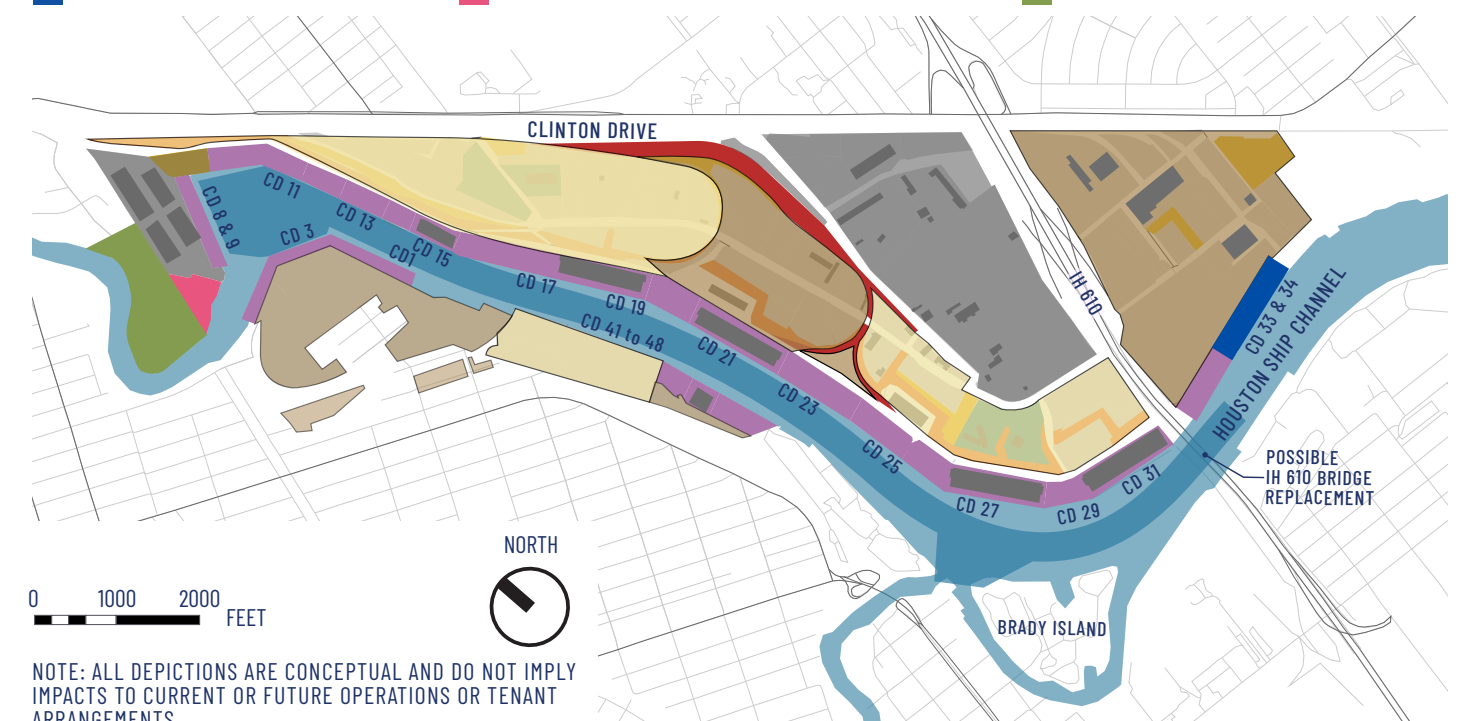
- | | | | | |
|-----------------------|----------------|----------|----------|--------|
| BERTH & ADJACENT LAND | GRADE BULK | RAILROAD | SERVICES | VACANT |
| BUILDINGS | OPERATING AREA | ROAD | UNPAVED | |



TURNING BASIN: POSSIBLE FUTURE LAND USE

LEGEND

- | | | |
|-----------------------------------|--|-----------------------------------|
| FLEXIBLE TERMINAL OPERATING AREAS | MULTIPURPOSE LOGISTICS AND BUSINESS PARK AREAS | CHANNEL IMPROVEMENTS (PROJECT 11) |
| WHARF ADDITIONS | PORT SERVICES AND OUTREACH | COMMUNITY CONNECTIONS |



0 1000 2000 FEET



NOTE: ALL DEPICTIONS ARE CONCEPTUAL AND DO NOT IMPLY IMPACTS TO CURRENT OR FUTURE OPERATIONS OR TENANT ARRANGEMENTS.



CARGO
PROMOTE
CORE BUSINESS

REAL ESTATE

DEVELOP AND INTEGRATE WITH SUPPLY CHAINS

Houston is a top national location for import and export-oriented manufacturing and is experiencing a renewed wave of interest from the national logistics community as a hub for distribution centers. As interest continues to grow, so does the competitive environment. Supply chains are evolving to adapt to these new challenges and opportunities. Port Houston continues to drive and respond to changing and evolving cargo logistics and their respective real estate demands, while supporting sustainable growth of its facilities and the region.

Maintaining a diverse and dynamic real estate portfolio, backed by deep and shallow-draft waterways and an extensive inland transportation network, provides an opportunity for Port Houston to promote the growth of its businesses and of cargo in the region. Through asset development, portfolio optimization, and building valuable relationships, Port Houston facilitates the development and redevelopment of assets to support job creation. This is reinforced

by Port Houston's commitment to provide a high level of service to valued tenants and stakeholders by delivering process improvements and providing operational cost savings.

Through collaboration with economic development corporations, Port Houston is building awareness about regional advantages to help attract and retain businesses that use its facilities. By leveraging foreign trade zone cost saving benefits and working with the industrial real estate community, Port Houston promotes port-related activity throughout the Houston region.

In addition, Port Houston is a key driver for attracting global business opportunities. It fosters global trade relationships to realize the full potential of its real estate infrastructure. By securing cargo and the vessels that carry it, Port Houston brings jobs and beneficial economic activity to the region, while creating trust and loyalty through high service levels for its customers.

OPPORTUNITIES

- Evaluate real estate highest and best use
- Extend market reach and attract new cargo businesses
- Expand capacity and connectivity
- Foster regional and global relationships



SUPPLY CHAIN PARTNERS

By working with potential customers and facilitating connections with shipping lines, local real estate, and landside transportation providers, Port Houston is expanding its customer base to drive cargo growth, diversify business, and increase revenue potential.



OCEAN CARRIERS



STEVEDORES



BENEFICIAL CARGO
OWNERS



LOGISTICS, TRUCKING,
AND FORWARDERS



VALUE ADDING
TENANTS

DEVELOPMENT OPPORTUNITIES

BAYPORT COMPLEX



Potential to expand transloading and warehousing capabilities and an intermodal rail yard adjacent to the Bayport container terminal, integrating import and export supply chains with essential logistics support facilities.

BELTWAY 8 PROPERTY



Planned to be used for one-time placement of Project 11 dredged material, this property presents opportunities for long-term commercial and industrial development or a new maritime facility.

PELICAN ISLAND



The replacement of the Pelican Island bridge or new pipeline connectivity would enable this property to be developed as a potential deep-water liquid or bulk facility.

SOUTHSIDE WHARVES



Rehabilitating this property, which is connected to rail infrastructure, would make it attractive for the development of a liquid or dry bulk facility and to handle heavy shipments.



COMMUNITY PARTNERSHIPS

PROJECT-FOCUSED ENGAGEMENT

COMMUNITY ENHANCE COMMUNITY CONNECTIONS

Port Houston continuously engages with stakeholders who have a shared interest in the roles it plays as the local sponsor of the Houston Ship Channel and operator of public terminals. The quality of Port Houston's relationships with its stakeholders propels its mission and vision. It is committed to strengthening partnerships with its surrounding communities and stakeholders and regularly explores opportunities to work closely with them and to involve them in decision-making processes.

Port Houston's community and stakeholder engagement policy lays the foundation for communication and consultation, which is an ongoing, dynamic process. It also guides the planning, preparation, action, and evaluation of its engagement activities. This allows Port Houston to purposefully engage with stakeholders most likely to be impacted by its proposed actions and who could potentially help shape decision-making.

Contributing to improving the quality of life in its surrounding areas and regularly assessing its engagement strategies helps Port Houston to manage its business efforts and its role as a responsible neighbor. These strategies include increasing public awareness about the Greater Port of Houston, providing an open line of communication between Port Houston and the community, and investing in partnerships that bring a positive impact to the region.

Throughout its history, Port Houston has enjoyed social, economic, and physical connections with its surrounding communities. These range from facilitating workforce development and educational opportunities to direct investment in the well-being of communities. These connections remain part of Port Houston's future planning and awareness building to support regional development initiatives that enhance resiliency, safety, sustainability, and prosperity.

OPPORTUNITIES

- Engage in community-focused programs and projects
- Promote dialogue and open communication
- Support maritime workforce development
- Improve small business participation



OUTREACH FUNCTIONS



AWARENESS

- M/V Sam Houston Boat Tour
- Speakers Bureau Program
- Event/Festival Participation



FEEDBACK

- Port Commission Community Advisory Council
- Community Information Line
- Online Feedback Tools



INVESTMENT

- Event and Program Sponsorship
- In-kind Support
- Employee Volunteer Efforts

COMMUNITY ENGAGEMENT PROGRAMS

PORT COMMISSION COMMUNITY ADVISORY COUNCIL

The Port Commission Community Advisory Council (PCCAC), formerly the Chairman's Citizen Advisory Council which began in 2013, was relaunched in 2020. The PCCAC is comprised of a diverse group of individuals representing different communities along the HSC and various special interest groups. It aims to promote deeper engagement and understanding between local communities and Port Houston by providing opportunities for open communication.

MARITIME EDUCATION PROGRAM

Port Houston brings together industry leaders, educational institutions, and business organizations to facilitate the development of future maritime workforce. Through a Maritime Education Program, these groups provide opportunities to high school students to pursue professional studies in maritime, transportation, or affiliated fields such as logistics, freight, security, and environmental affairs.

COMMUNITY GRANTS PROGRAM

Port Houston's Community Grants Program is an initiative focused on investing resources into programs and projects that support and enhance local communities. These grants serve to develop and strengthen partnerships and create greater value for the region.

SMALL BUSINESS DEVELOPMENT PROGRAM

Through its Small Business Development Program and Small Business Advisory Council, Port Houston continues its commitment to improve opportunities for small businesses. These outreach efforts are aimed to increase local small business participation in contracting and procurement with Port Houston and to assist members to achieve goals via regular interactions and educational programs. To further aid local commerce and to promote economic development and job creation, Port Houston commissioned a disparity study to evaluate equal opportunity and fairness in its procurement and contracting processes.



ENVIRONMENTAL STEWARDSHIP

SUSTAINABLE BUSINESS PRACTICES

COMMUNITY ENHANCE COMMUNITY CONNECTIONS

The integration of environmental and sustainable business practices is a vital component of Port Houston’s decision-making process. Since becoming the first U.S. port authority in 2002 to attain the international standard for environmental management systems, ISO 14001, Port Houston has been conducting its operations using a systematic approach to reducing environmental impacts and improving operational efficiency. This includes working with Port Houston teams and tenants through an assessment program that regularly evaluates compliance with environmental regulations.

As Port Houston continues to move to clear, streamlined, and sustainable business practices, it has established an environmental leadership strategy that identifies short, mid, and long-term environmental goals and considers business needs, resources, and capabilities. As part of this strategy, Port Houston is developing energy and sustainability, storm and wastewater, and clean air plans, along with

an emphasis on recycling, minimizing waste, and establishing objectives and targets. These will be monitored by key performance indicators (KPIs), regular reporting, and auditing. Port Houston is the first port in the U.S. to secure 100 percent renewable energy to support its operations.

Environmental stewardship at Port Houston is designed to go beyond statutory obligations, standards, and codes of practice. Its aim is to preserve and protect natural resources while maintaining transparent communication with stakeholders. Port Houston partners with local, state, and federal agencies to support environmental awareness, education, and conservation efforts through projects and events across the region. These efforts support Port Houston’s ongoing commitment as an environmental and sustainability leader. Aided by the active participation of its stakeholders, Port Houston’s management of its environmental responsibilities has earned it national recognition and awards.

OPPORTUNITIES

- Increase integration of environmental and sustainability principles in business decisions
- Strengthen community and stakeholder relationships
- Develop resources, skills, and capabilities for continued environmental leadership
- Establish KPIs and monitor progress



ENVIRONMENTAL LEADERSHIP STRATEGY

Through its environmental leadership strategy, Port Houston aims to operate in a manner that:

- Conserves energy, fuel, and water usage
- Reduces solid waste generation
- Prevents air, water, and sound pollution
- Promotes wetland mitigation and land management
- Advances internal and external partnerships

GOALS AND TARGETS

AIR QUALITY

2025

EXECUTE CLEAN AIR STRATEGIC PLAN AND TRACK PORT HOUSTON GENERATED GREENHOUSE GAS EMISSIONS PER METRIC TON OF CARGO

2040

REDUCE GREENHOUSE GAS EMISSIONS TO SUPPORT ACHIEVING BASELINE LEVELS

COMMUNICATIONS AND TRAINING

2025

BUILD AWARENESS AND ESTABLISH COMPREHENSIVE PROGRAMS FOR EMPLOYEE AND STAKEHOLDER DEVELOPMENT

2040

IMPLEMENT NEW POLICIES, ADJUST PROCESSES TO MEET FUTURE REQUIREMENTS, AND BUILD NECESSARY CAPACITY AND SKILLS

CLEAN ENERGY

2025

IMPLEMENT CLEAN POWER ALTERNATIVES FOR PORT HOUSTON’S OPERATIONS

2040

PARTNER WITH PUBLIC AGENCIES AND PRIVATE INDUSTRIES TO SUPPORT CARBON NEUTRAL SUPPLY CHAIN

LAND MANAGEMENT

2025

ESTABLISH LAND MANAGEMENT PLAN TO BALANCE BUSINESS DEMANDS AND COMMUNITY EXPECTATIONS

2040

PRESERVE BALANCE BETWEEN COMMERCIAL AND INDUSTRIAL LAND THAT IS COMPATIBLE WITH SURROUNDING USES

WASTE MANAGEMENT

2025

IMPLEMENT AND EXPAND WASTE MANAGEMENT PLAN

2040

MANAGE RESOURCES TO SUPPORT ZERO WASTE GENERATION

WATER QUALITY

2025

ESTABLISH MARINE DEBRIS PREVENTION PROGRAM AND SEDIMENTATION MITIGATION PLAN

2040

DEVELOP RESILIENT WATERWAYS THROUGH ROBUST FLOOD AND SEDIMENT CONTROL



REGIONAL COMPETITIVENESS

SUPPORT FREIGHT MOBILITY INITIATIVES

COMMUNITY ENHANCE COMMUNITY CONNECTIONS

Connectivity is the key for freight mobility. Houston's regional transportation network spans from the nation's busiest waterway to the second largest railroad footprint in the country. Houston also has a network of 14 major freeways which connect it to the major U.S. markets. This transportation network facilitates continued economic growth and is critical to regional industries and a growing consumer market.

Freight Mobility is a key driver of overall regional competitiveness as freight moves over routes with the lowest supply chain costs. With increasing trade volumes being imported and exported through the Greater Port of Houston, especially the significant increases in resin production in recent years and the movement of retail goods, it is vital to continue to invest in the region's transportation infrastructure. In addition to increasing regional competitiveness, this investment will enhance safety, minimize congestion, and improve air quality, which

are critical to support the sustainable growth of the Houston Region.

Port Houston works in partnership with local, state, and federal agencies. It is a member of the Municipal Planning Organization's Transportation Policy Council, Transportation Advisory Council, and Transportation Safety Committee. It works with the Greater Houston Partnership across multiple committees including the transportation committee, and has partnered with Harris County, the Economic Alliance, East Harris County Manufacturing Association, Transportation Advocacy Group, and the Gulf Coast Rail District to identify and support priority freight mobility projects across the region. Port Houston also collaborates with the Texas Department of Transportation in many capacities including the Texas Freight Advisory Committee, the Port Authority Advisory Committee, and regular engagements to facilitate freight transportation projects in the region.

OPPORTUNITIES

- Improve freight mobility from terminals to roadways
- Promote safer and greener freight transportation
- Analyze freight transportation alternatives
- Evaluate night-time operations to reduce congestion



FREIGHT MOBILITY PRIORITIES

Port Houston helps to identify, advocates for, and supports freight transportation projects to improve port access and mobility alternatives, aimed at reducing transportation costs while improving safety. This comprises more than 30 prioritized freight mobility projects across the region and partnering with multiple agencies on numerous traffic and planning studies including I-45, I-10, SH-225, Southeast Harris County sub-regional study, and others.

REGIONAL FREIGHT MOBILITY PRIORITIES MAP

LEGEND

- 1-H SH 99 SECTION H
- 1-I SH 99 SECTION I
- 2 CROSBY-LYNCHBURG IMPROVEMENTS
- 3 SH 330 CONNECTIVITY
- 4 BW-8 BRIDGE EXPANSION & CONNECTORS
- 5 SH 225 EXPANSION & CONNECTORS
- 6 CONTAINER BARGES
- 7 BARBOURS CUT BLVD TO SH 146 CONNECTORS
- 8 BAYPORT PORT ROAD & RAIL SPUR
- 9 I-69 / SH 99S BYPASS
- OTHER ROAD AND RAIL IMPROVEMENTS
- INLAND DISTRIBUTION (NOT SHOWN)

0 1 2 5 MILES





CHANGE PREPARE PORT OF THE FUTURE

MARKET DYNAMICS

ADAPT TO TRENDS AND CHANGES

The growth of Houston has been a continuous trend for more than a century and market demand has changed the port from a mere physical asset to an essential component of the integrated supply chain. This trend will continue into the future with demographic changes and technological advancements playing an increasing role in the development of future assets and infrastructure. As the local sponsor of the Houston Ship Channel and operator of public terminals, Port Houston continuously evaluates market dynamics to predict their potential impacts to proactively develop appropriate policies and strategies.

Port Houston also considers emerging industry trends as it plans future infrastructure investments. These trends include population growth, direction of global trade, evolution of new trade lanes, ship sizes, and greater velocity of cargo movement within and outside its terminals. Additional factors include the growth of logistics facilities connecting multimodal

cargo transport, demands for lower supply chain costs, improved connectivity with hinterland markets, environmental sustainability, and technology innovation and integration. Port Houston maintains its competitive advantage as a versatile hub as well as its business resilience by investing in opportunities that diversify its cargo throughput, adopting standardized processes, and partnering with customers to reach the next level of efficiency in the industry.

As Port Houston strives to become America's Distribution Hub for the Next Generation, it is an increasingly integrated enterprise with digitally enabled port synchronization, innovative supply chain planning, and resources and workflow optimization. Port Houston is also actively promoting initiatives that have positive impacts on the social environment and increasing its role in preserving and protecting the natural environment.

OPPORTUNITIES

- Drive operational excellence with data-driven solutions
- Build ecosystems to drive synergies between port and cities
- Increase collaboration with public and private partners
- Optimize supply chain with digital networks



SHIFTING PORT TRENDS: TRADITIONAL TO CUTTING-EDGE

BUSINESS ROLE

OPERATOR

+ INTEGRATED ENTERPRISE

INFRASTRUCTURE GROWTH

CAPITAL INVESTMENT

+ CAPACITY INNOVATION

CARGO MOVEMENT

WATERSIDE

+ INLAND

PARTNERSHIPS

FEDERAL & STATE

+ PRIVATE

COMMUNITY DEVELOPMENT

COMMUNITY SUPPORT

+ CLUSTER JOBS & INCUBATION

PORT & CITY INTEGRATION

INFLUENCE

+ ALLIANCE

DIGITAL TRANSFORMATION

DATA PROCESSING

+ BIG DATA ANALYTICS

SERVICE RELATIONS

CUSTOMER SERVICE

+ INTEGRATED OPERATIONS

ENERGY INNOVATION

DIESEL & FUEL OIL

+ CLEAN POWER ALTERNATIVES

VALUE CREATION

PHYSICAL GATEWAY

+ DIGITAL NETWORKS

NEW DISTRIBUTION PATTERNS

As Houston is poised to become the third most populous city in the nation by 2030, the trade and commerce flowing through Port Houston is expected to grow proportionately. Increased congestion at East and West Coast ports and anticipated strong growth in trade is prompting shippers to adjust supply chains to accommodate longer transit times. This creates opportunities to develop alternative gateways to the U.S. hinterland markets. With Houston's well-connected network of roadways and railroads providing direct access to the nation's largest concentration of 152 million consumers within 1,000 miles, Port Houston is well-positioned to take advantage of changing market dynamics.

MISSION CRITICAL

"DRIVE REGIONAL PROSPERITY"

STRATEGIC GROWTH

"INTERNATIONAL PORT OF TEXAS"

VISION

"AMERICA'S DISTRIBUTION HUB FOR THE NEXT GENERATION"





CHANGE PREPARE PORT OF THE FUTURE

EMERGING TECHNOLOGY

MAXIMIZE SUPPLY CHAIN VISIBILITY AND VELOCITY

The movement of goods continues to evolve as a growing landscape and technological advancement is changing trade and commerce expectations. This is driving the need for a linked network of systems and assets to enable seamless information flow and maximize efficiency, thereby reshaping the future of the maritime industry. Port Houston recognizes that adapting to emerging technologies and integrating them with infrastructure development is vital for future business success. As such, Port Houston continuously collaborates with its suppliers and industry partners, who play different roles within the supply chain, to operate holistically and to support real-time data availability to stakeholders.

To stay abreast of technology and to increase business efficiency, Port Houston is integrating newer technologies into its day-to-day terminal operations for efficient and faster cargo movement. Along with advanced simulations for training, it is

also investing in digital mapping of its landside and waterside infrastructure to ensure availability of accurate data for future planning of its assets and the future expansion of the Houston Ship Channel. In addition, Port Houston is reviewing and implementing the next-generation Enterprise Resource Planning (ERP) platform which will be used to integrate financial management, human capital management, enterprise asset management, project management, and other functions.

A port equipped with advanced technology will maintain a significant competitive advantage. It will be able to provide enhanced levels of service to its customers through increased visibility, improved transparency, and greater velocity of goods movement, thereby reducing supply chain costs while attracting new businesses. With advanced planning, Port Houston is well-poised to strengthen its market position.

OPPORTUNITIES

- Utilize advanced computing for predictive analytics and intractable problem solving
- Integrate next generation ERP into business operations
- Harness extended reality (XR) for training and simulation
- Enable amalgamation of emerging technologies



CONNECTED PORT



CARGO OWNER



HINTERLAND
TRANSPORTATION



LOADING



OCEAN
TRANSPORTATION



UNLOADING



HINTERLAND
TRANSPORTATION



DELIVERY

SMART PORTS

DIGITALLY ENABLED ECOSYSTEMS, INNOVATIVE PLANNING,
OPTIMIZED RESOURCES AND WORKFLOWS

CONNECTED SHIPS

REAL-TIME MONITORING, NAVIGATIONAL EFFICIENCY,
DATA-DRIVEN OPTIMIZATION

AGILE WORKFORCE

DATA ANALYTICS, MOBILITY,
SMART APPS, VIRTUAL ASSISTANCE

DIGITIZED TRUCKING

DYNAMIC FREIGHT MATCHING SYSTEMS,
MAXIMUM CAPACITY UTILIZATION, PLATOONING

E-COMMERCE PLATFORMS

REAL-TIME BOOKINGS, PRICE TRANSPARENCY,
SUPPLY AND DEMAND SYNCHRONIZATION

DIGITAL SUPPLY CHAIN

END-TO-END MONITORING,
SEAMLESS INTEGRATION OF TECHNOLOGY AND LOGISTICS

TECHNOLOGY ADVANCEMENT



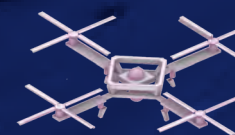
INTERNET OF THINGS



ALTERNATIVE VEHICLE
FUELS AND CONTROLS



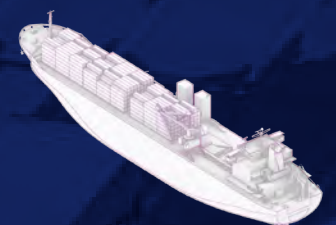
INTELLIGENT TRANSPORTATION



DRONES



BLOCK CHAIN



NET ZERO VESSELS

DEPLOYED

EMERGING

CONCEPTUAL



CHANGE PREPARE PORT OF THE FUTURE

SAFETY AND SECURITY

PREPARED AND RESPONSIVE MUTUAL AID

Port Houston maintains a steadfast commitment to safety and security in compliance with the Maritime Transportation Security Act of 2002. As regulations change and Port Houston continues to grow, safety and security must in turn adjust and adapt.

Port Houston's health and safety policy is based on the principle that all injuries are preventable. Safety initiatives at Port Houston are aimed at ensuring a healthy and safe work environment for employees, tenants, and visitors alike and support a perpetual drive to zero incidents as the only acceptable outcome. Port Houston continues to make enhancements to its health and safety culture and performance. This is achieved through improved education and awareness, facilitating and documenting safety audits and incident investigations, and updating operating standards to promote an incident-free workplace.

Through its security management policy, Port Houston is committed to protecting its facilities and providing a secure environment for all employees, tenants, and stakeholders. Since becoming the first port authority in the world to be certified to the ISO 28000 standard for supply chain security in 2008, Port Houston continues to operate its facilities under stringent requirements for security management systems. These are intended to:

- Prevent loss or harm from threats to health, welfare, and assets
- Monitor, evaluate, and implement programs for continued security improvement
- Be proactive in emergency response planning to ensure operational recovery
- Maximize port security while expediting the flow of commerce

OPPORTUNITIES

- Lead implementation of maritime security best practices through collaboration and innovation
- Contribute to enhancing the security and integrity of supply chains
- Minimize risks to physical and digital safety
- Strengthen organization's health and safety culture



SAFETY AND SECURITY OBJECTIVES

RESEARCH AND DEVELOPMENT FOR INNOVATION

VASCULAR ACCESS CONTROL READERS
AND AUTOMATIC TWIC GATES

OPERATIONAL GROWTH AND TERMINAL EXPANSION

EARLY INVOLVEMENT IN INFRASTRUCTURE
PLANNING AND OPERATIONAL CHANGES

CONTINUOUS IMPROVEMENT

CONTINUOUSLY REVIEW PROCESSES AND
INCORPORATE LESSONS LEARNED

RISK MANAGEMENT

ADEQUATE AND ADAPTABLE RESPONSE

MAXIMIZE USE OF AVAILABLE RESOURCES

LEVERAGE PORT SECURITY GRANTS

CAPTURE INDUSTRY BEST PRACTICES

ACTIVE ENGAGEMENT IN WORKING
GROUPS AND SECURITY COMMITTEES

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

UNIFIED APPLICATIONS
WITH INCREASED MOBILITY

DATA ANALYSIS AND TECHNOLOGY ADVANCEMENT

RESILIENT INFORMATION AND
CYBERSECURITY PROGRAMS

RESOURCE PLANNING

BUILD CAPABILITIES TO FACILITATE GROWTH

STAKEHOLDER PARTNERSHIPS

COLLABORATE FOR SWIFT
RESPONSE AND MITIGATION

ENHANCED INTEGRATION OF VARIOUS PROGRAMS

SECURED PHYSICAL AND DIGITAL ASSETS

PORT SECURITY AND PUBLIC SAFETY

SECURITY

Port Houston is committed to having a preeminent maritime security program through collaboration and innovation. A layered security methodology enables it to implement a series of mitigating security controls to protect critical infrastructure.

EMERGENCY MANAGEMENT

The Office of Emergency Management is responsible for the preparedness, response, recovery, and mitigation of emergencies and major disasters at Port Houston. It is also responsible for managing the resources used in emergency response and recovery.

POLICE

Port Houston police and security officials work together to provide around-the-clock emergency response on Port Houston facilities, and coordinate activities with federal, state, and local law enforcement agencies.

INFORMATION SECURITY

Through its cybersecurity program, Port Houston manages the use, operation, and risk of its information systems through an established framework for analyzing computer and cyber-risks and providing guidance for addressing those risks in order to enhance and maintain business continuity.

FIRE

The Port Houston Fire Department is charged by the Texas Legislature as a centralized authority to promote and coordinate fire prevention and to fight fires, explosions, and hazardous material incidents on or adjacent to the waterways within the Greater Port of Houston jurisdiction, including the Houston Ship Channel.



2040

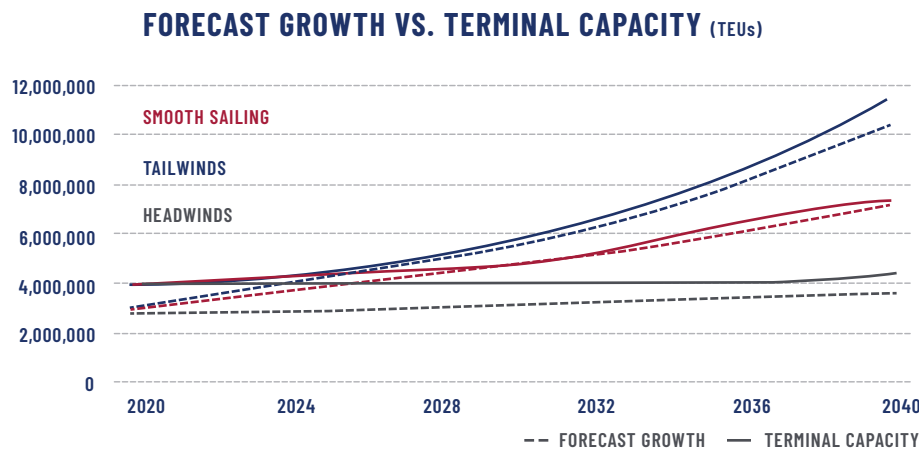
05

BUSINESS RESILIENCE
IMPLEMENTING THE 2040 PLAN

ANTICIPATING AND PREPARING FOR THE FUTURE

SCENARIO PLANNING

Port Houston is considering three scenarios to evaluate the many ways the future may unfold and to prepare for it by examining market trends, forecasts, and other influential factors. These scenarios are intended to support the development of Port Houston's policies, strategies, initiatives, and action plans.



SMOOTH SAILING SCENARIO	TAILWINDS SCENARIO	HEADWINDS SCENARIO
STEADY CARGO GROWTH CONSUMER MARKET EXPANSION ENHANCED ROAD NETWORKS	GLOBAL ENERGY DEMAND EXTENSIVE CAPITAL INVESTMENT INNOVATION	DECLINE IN TRADE VOLUMES SUPPLY CHAIN DISRUPTION SHIFT IN GLOBAL TRADE POLICY
<p>Anticipates stability in current market trends with estimated annual growth of 4.5%. Potential outcomes:</p> <ul style="list-style-type: none">Optimized operations and increased terminal efficiencyIntegrated supply chain and ability to make real-time decisionsImproved freight mobility within and outside the terminalsGreater connectivity to hinterland marketsExpanded market share of containerized cargo segment	<p>Anticipates significant upturn in market trends with estimated annual growth of 6.5%. Potential outcomes:</p> <ul style="list-style-type: none">Energy exports dominate decision-making and infrastructure developmentLarger vessels drive the need for accelerated channel improvementsNew businesses drive real estate development (offshore, wind, plastic recycling, etc.)Added capacity with development of new coastal terminalMarket penetration with development of inland port	<p>Anticipates rare events having severe impacts with estimated annual growth of 2.4%. Potential outcomes:</p> <ul style="list-style-type: none">Focus on increasing terminal efficiency versus adding capacityRestructuring of supply chains involving manufacturing, transportation, and warehousingNon-maritime use of underutilized port propertiesFiscal constraints limit infrastructure developmentNew tariffs or restrictions imposed on trade

INFORMED, FLEXIBLE, ADAPTABLE IMPLEMENTATION

INPUTS AND DECISION-MAKING

Decision-making at Port Houston is driven by evaluating potential scenarios and possible outcomes for the future. The dynamic logistics, technology, and economic environment under which Port Houston operates makes long-range planning complex. Therefore, the 2040 Plan has been developed as an adaptable and responsive tool to effectively manage opportunities or challenges over the life of the plan. It aims to inform Port Houston's policies and decision-making while allowing for flexibility and adaptability to make necessary adjustments. It serves as a mechanism for development, resource allocation, organizational initiatives, and project prioritization to support business resilience.

Port Houston has historically been responsive to meeting its obligations and the needs of its stakeholders to support regional growth. For the informed and effective implementation of the strategies and initiatives of the 2040 Plan, Port Houston's approach is to:

- Anticipate market demand and needs
- Align capital needs and availability
- Expand stakeholder support and education
- Reconcile short, mid, and long-range plans annually

With its robust planning, Port Houston is prepared to counter emerging circumstances over time in a responsive and responsible manner. This will be reinforced by the continuous review of the 2040 Plan.

ANNUAL REVIEW AND MONITORING

The 2040 Plan is a living document and is both supported by and guides Port Houston's action plans, capital investment plans, and annual operating budgets. Review of the 2040 Plan will be carried out annually. This review is intended to:

- Measure success in achieving planned initiatives
- Prioritize and execute short to long-term development plans
- Identify emerging opportunities and challenges
- Make adjustments based on updated forecasts and trends
- Reduce organizational and business risks
- Consider inputs from stakeholders

CAPITAL INVESTMENT

FINANCIAL GOVERNANCE

The Port Commission provides leadership for the financial governance of Port Houston and is responsible for the approval of policies, annual capital and operating budgets, setting organizational goals, and awarding contracts. The Port Commission’s role includes ensuring that Port Houston continues to move the world and drive regional prosperity via prioritizing, allocating, and authorizing necessary resources.

CAPITAL INVESTMENT PROGRAM

Port Houston is committed to developing, expanding, and revitalizing port infrastructure and making investments that enhance the regional economy and creating jobs. Port Houston continuously evaluates its capital investment program, major initiatives, and action plans to align with its long-range planning. This ensures a competitive position in the market with an emphasis to provide world class service to stakeholders and customers through optimization, expansion, and redevelopment activities.

Capital investment is the cornerstone to implementing the strategies and initiatives of the 2040 Plan and supporting Port Houston’s role as an economic catalyst. It is estimated that programs and projects included in the 2040 Plan will require significant investment over the next 20 years. Port Houston forecasts the cost of its programs and projects over the short, mid, and long-term and evaluates them annually to ensure investments continue to meet goals.

FUNDING OPERATIONS AND CAPITAL IMPROVEMENTS

Port Houston generates a significant portion of its revenue from its terminal operations, which are generally sufficient to cover its operating and capital expenditures. However, with the fast-tracking of the HSC Expansion project and because Port Houston is not a state-funded agency, this revenue alone may not be able to sustain the capital needs to maintain and expand port infrastructure. As such, for incremental funding, Port Houston has established itself in a solid financial position with the ability to leverage a number of different credit sources. In addition, Port Houston also pursues federal and state grant programs on a regular basis to support its capital projects.

TRANSPARENCY AND ACCOUNTABILITY

Port Houston is committed to achieving excellence in financial reporting and it has earned Financial Transparency Stars from the State of Texas Comptroller of Public Accounts. For the last 45 years, it has also received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its Comprehensive Annual Financial Report (CAFR).

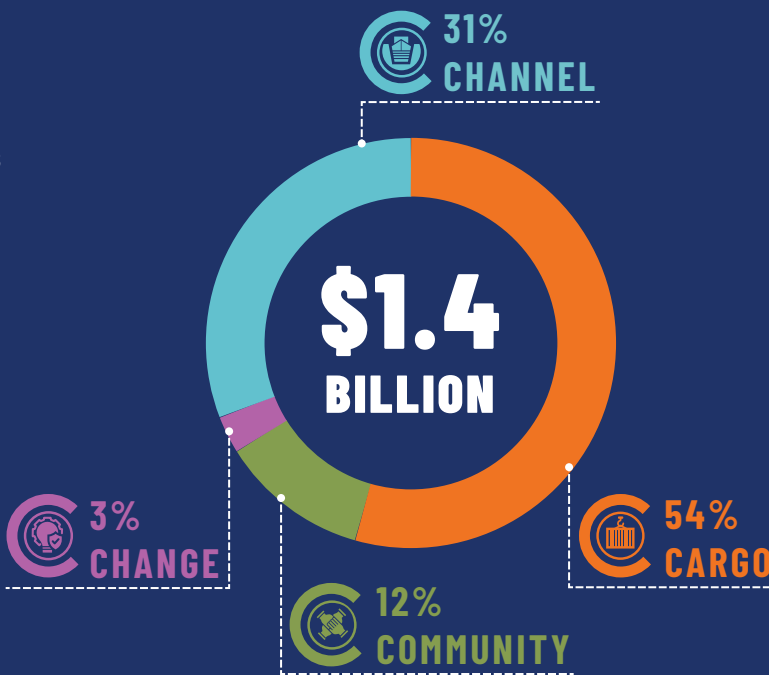


SELECT CAPITAL PROJECTS

Port Houston will continue to modernize and expand its facilities by strategically investing in capital projects. These projects will enhance its waterway, terminal, industrial property, road, and rail infrastructure to create an efficient, productive, and cost-effective system to move freight through the supply chain and to support growth. In 2020, Port Houston was awarded more than \$100 million in federal grants for the redevelopment and advancement of its facilities.

PLANNED (SHORT-TERM, 2021-2025)

- HSC Expansion-Project 11
- Dredged material placement area improvements
- Barbours Cut Terminal Wharf 4 rehabilitation
- Barbours Cut Terminal Container Yards 3 and 4 rehabilitation
- Bayport Terminal Wharves 6 and 7 construction
- Bayport Port Road expansion and drainage
- Bayport Complex development
- Next-Generation Enterprise Resource Planning (ERP) platform
- Multipurpose facilities maintenance and select upgrades



PROBABLE (MID-TERM, 2026-2030)

- Beltway 8 property development
- Barbours Cut Terminal Wharf 5 rehabilitation
- Barbours Cut Terminal Wharf 6 rehabilitation
- Barbours Cut Terminal Container Yards 5, 6, and 7 rehabilitation
- Bayport Terminal Wharf 1 and east-end construction
- Bayport Auto Terminal conversion
- East Industrial Park Wharves 33-34 rehabilitation
- Jacintoport Terminal Wharf 1 rehabilitation
- Bayport Intermodal Yard improvements

\$1.1 BILLION

POSSIBLE (LONG-TERM, 2031-2040)

- HSC Expansion-Project 12
- New coastal terminal
- Inland intermodal terminal
- Pelican Island development
- Alternative freight transportation
- Barbours Cut Terminal west-end redevelopment
- Bayport Terminal Wharves 8 and 9 construction
- Turning Basin Terminal revitalization
- New layberth facilities

\$2+ BILLION



2040

06

DRIVING REGIONAL
PROSPERITY
PARTNERSHIPS FOR COMMON GOALS

DELIVERING RESULTS DELIVERS VALUE

EXPECTED OUTCOMES FROM IMPLEMENTATION

The effective implementation of the 2040 Plan will ensure that Port Houston continues to be a catalyst for economic growth and job creation for the Houston region and beyond. Over the next 20 years, billions of dollars are expected to be invested in priority programs and projects by Port Houston, private industry, and other state and federal agencies. Port Houston’s investments in the Four C’s of the 2040 Plan – Channel, Cargo, Community, and Change – along with its partnerships with public and private sectors, are essential to achieving common goals and driving regional prosperity.



CHANNEL | SPONSOR HOUSTON SHIP CHANNEL

Expanding the HSC facilitates safer navigation, serves industry partners on the channel, and strengthens the economic competitiveness of the region.



CARGO | PROMOTE CORE BUSINESS

Optimizing cargo facilities benefits domestic and international customers and reinforces Port Houston's position as a versatile hub.



COMMUNITY | ENHANCE COMMUNITY CONNECTIONS

Investing in communities and strengthening relationships with stakeholders facilitates desired community enhancements, sustainable business practices, and important regional transportation improvements.



CHANGE | PREPARE PORT OF THE FUTURE

Monitoring and adapting to market dynamics and investing in new tools enables Port Houston to effectively respond to trends and changes in the maritime sector, safety and security, port operations, freight mobility, and resilience.

COOPERATION COORDINATION COLLABORATION

PLANNING CONTEXT

Port Houston embraces the role it serves as a public entity and recognizes that implementing the strategies of the 2040 Plan will require the support of numerous government agencies, port users, customers, non-governmental organizations, community leaders, and area residents. Interagency cooperation, coordination, and collaboration will be critical to driving the region’s success.

Port Houston will spearhead initiatives within the bounds of its properties; however, a number of external planning and development initiatives may also interact with its planning which may require active engagement with other agencies and stakeholders. As part of its 2040 Plan process, Port Houston reviewed more than 50 interagency plans and identified 70 relevant themes that highlight potential synergies and common goals and form the basis for continued dialogue.

TOP THEMES FROM INTERAGENCY PLANS REVIEW

ECONOMIC PROSPERITY

Regional, national, and global economic competitiveness, innovation, energy sector, manufacturing, diversification, workforce development, and job opportunities

ENVIRONMENTAL QUALITY AND RESILIENCE

Stormwater management, flood control, coastal protection, air quality, water quality, and habitat preservation and restoration

PARTNERSHIPS

Collaboration of public, private, and not-for-profit sectors in planning and project implementation

QUALITY OF LIFE

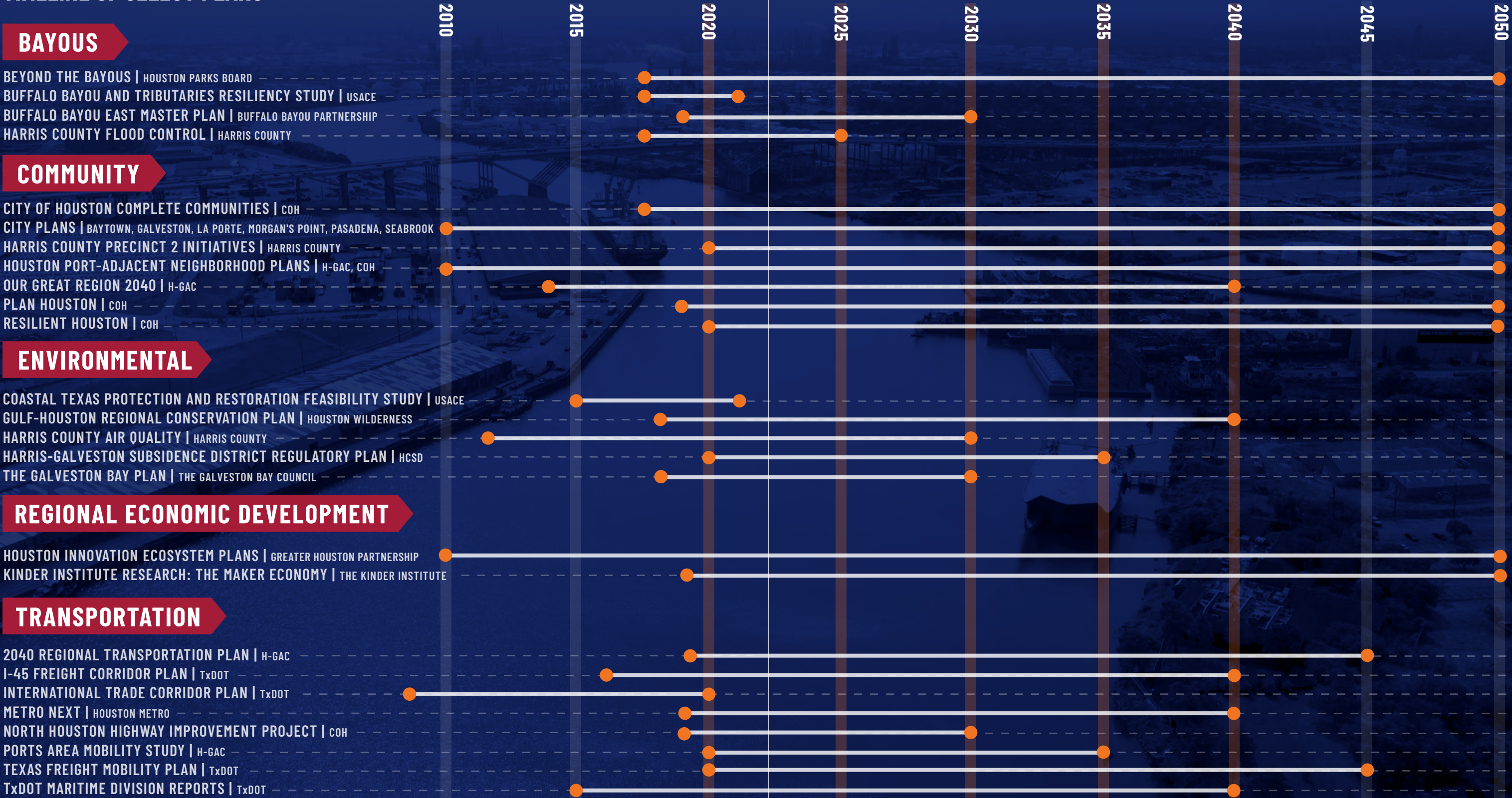
Social equity, complete communities, neighborhood identity, aesthetics, amenities, parks and trails, waterfront access, and proximity to jobs, goods, and services

TRANSPORTATION MOBILITY, CONNECTIVITY, AND SAFETY

Traffic congestion, freight mobility, commercial trucking, rail network, public transit, and pedestrian safety

2040 PLAN IN CONTEXT

TIMELINE OF SELECT PLANS



USACE | U.S. Army Corps of Engineers COH | City of Houston HGAC | Houston-Galveston Area Council HCSD | Harris County Subsidence District TxDOT | Texas Department of Transportation

A GROWING REGION

PARTNERSHIP OPPORTUNITIES

With Houston projected to become the nation's third most populous city by 2030, Port Houston recognizes the role it plays as a catalyst for the economic development needed to support the region's growth. Sustainable growth will rely on the collective vision and action of agencies, stakeholders, and communities. Port Houston is committed to contributing to a strong and resilient future via the effective implementation of the four strategies of its 2040 Plan.



CHANNEL



CARGO



COMMUNITY CHANGE



CHANGE

INNOVATION
HUB

INLAND
INTERMODAL
TERMINAL

IMPROVED
SHOALING
PREDICTION

FLOOD AND
SEDIMENT
CONTROL

COMPLETE
COMMUNITIES

PEDESTRIAN
SAFETY

FLOOD
TUNNELS

DEMOGRAPHIC
SHIFT

ROADWAY
CAPACITY
EXPANSION

LOGISTICS
FACILITIES AND
WAREHOUSES

DATA-DRIVEN
SUPPLY CHAIN

BELTWAY 8
BRIDGE
CONSTRUCTION

BELTWAY 8
PROPERTY
DEVELOPMENT

PLASTIC
RECYCLING
SUSTAINABILITY

IH 610 BRIDGE
REPLACEMENT

NEW
LAYBERTH
FACILITIES

ALTERNATIVE
FREIGHT
TRANSPORTATION

SH 255
EXPANSION

TERMINAL
CAPACITY
EXPANSION

PARKS
AND
TRAILS

COASTAL STORM
AND SURGE
PROTECTION

HSC
PROJECTS

ENERGY
EXPORTS

SH 99
CONSTRUCTION

PELICAN ISLAND
DEVELOPMENT

MOBILITY
PROJECTS

REMOTE
TRUCKING
INFRASTRUCTURE

IMPROVED
AIR QUALITY

PEOPLE MAKE IT POSSIBLE

Port Houston recognizes the collective commitment and concerted efforts of its leadership and staff and the continued support of its stakeholders in the development of the Port Houston 2040 Plan.

PORT COMMISSION

- Ric Campo**, Chairman
- Dean E. Corgey**, Commissioner
- Clyde Fitzgerald**, Commissioner
- Stephen H. DonCarlos**, Commissioner
- Roy D. Mease**, Commissioner
- Wendy Montoya Cloonan**, Commissioner
- Cheryl D. Kreuzot**, Commissioner

EXECUTIVE LEADERSHIP

- Roger Guenther**, Executive Director
- Tom Heidt**, Chief Operating Officer
- Charles Thompson**, Chief Information Officer
- Erik Eriksson**, Chief Legal Officer
- Jeff Davis**, Chief Port Operations Officer
- Jessica Shaver**, Chief People Officer
- John Moseley**, Chief Commercial Officer
- Kerrick Henny**, Chief Government & Public Relations Officer
- Marcus Woodring**, Chief PSEO Officer
- Rich Byrnes**, Chief Port Infrastructure Officer
- Tim Finley**, Chief Financial Officer

FACILITY PLANNING DEPARTMENT

- Rohit Saxena**, Director, Facility Planning
- Jacqueline Muñoz**, Manager, Long-Range Planning

PARTICIPATING DIVISIONS

- Commercial
- Finance
- Government & Public Relations
- Information Technology
- Legal
- People
- Port Infrastructure
- Port Operations
- Port Security & Emergency Operations

KEY STAKEHOLDERS

- Bay Area Community Advisory Panel
- Bayou Land Conservancy
- Bayou Preservation Association
- Baytown Area Community Advisory Panel
- Baytran
- Buffalo Bayou Partnership
- Buffalo Marine Service
- Channel Industry Mutual Aid
- CMA CGM
- Community Advisory Panel to Lyondell and Equistar (North Channel Area)
- Cooper/Ports America
- Customs and Border Protection
- Deer Park Community Advisory Council
- East Harris County Manufacturers Association
- Economic Alliance - Houston Port Region
- Enterprise Products Partners
- Environmental Defense Fund
- Excargo Services
- ExxonMobil
- Galveston Bay Foundation
- Greater Houston Black Chamber of Commerce
- Greater Houston Partnership
- Greater Houston Port Bureau
- Gulf Winds International
- Hapag-Lloyd
- Houston Area Urban League
- Houston Community Advisory Panel
- Houston East End Chamber of Commerce
- Houston Hispanic Chamber of Commerce
- Houston Independent School District
- Houston International Seafarers' Center
- Houston Minority Supplier Development Council
- Houston Mooring
- Houston Pilots
- Houston Ship Channel Security District
- Houston Terminals (Bayport)
- Houston Yacht Club
- International Longshoreman's Association
- Intercontinental Terminals Company
- Jetco Delivery
- KinderMorgan
- Kirby Corporation
- La Porte - Bayshore Chamber of Commerce
- La Porte Citizen Advisory Council
- LBC Tank Terminals
- Maersk
- Magellan Midstream Partners
- Mediterranean Shipping Company
- Odfjell Terminals
- Pasadena Chamber of Commerce
- Pasadena Citizens' Advisory Council
- Port Terminal Railroad Association
- Public Citizen
- Richardson Steel
- San Jacinto College
- Seashore Community Advisory Panel
- SemGroup Corporation
- Shell Deer Park
- Targa Resources
- Terminal Links Texas
- Texas Department of Transportation
- Texas Southern University
- Transportation Advocacy Group
- University of Houston
- US Coast Guard Sector Houston-Galveston
- US Small Business Administration
- West Gulf Maritime Association
- Women's Business Enterprise Alliance
- Zeamarine



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