



Port of Houston Authority of Harris County, Texas Debt Information As of December 31, 2024

Port of Houston Authority of Harris County, Texas (“Port Houston” or the “Authority”) is pleased to provide the following information as part of its commitment to financial transparency.

Not for Investment Purposes

Information made available by Port Houston, including information posted on its website (<http://porthouston.com>), is not made available for investment purposes and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and it does not constitute an offering prospectus. Any such offer by Port Houston can only be made by a registered broker-dealer and an official statement formally issued by Port Houston.

Investors in Port Houston securities should rely on their own evaluation of Port Houston and its debt securities, including the merits and risks involved.

Ad Valorem Tax Bonds

As of December 31, 2024, the Authority had \$470.0 million (net of premiums/discounts) in Unlimited Tax Refunding Bonds (collectively, the “Ad Valorem Tax Bonds”).

Debt service on the Ad Valorem Tax Bonds is funded entirely from ad valorem taxes approved by Harris County voters at duly held bond elections, plus any interest earnings on such debt service tax funds. Property taxes are levied annually by the Harris County Commissioners Court on behalf of Port Houston and collected by the Harris County Tax Assessor-Collector. Port Houston has no obligation to use any of its operating revenues or general funds to repay any of the Ad Valorem Tax Bonds.

The proceeds of Ad Valorem Tax Bonds have been used solely to fund the Authority’s infrastructure investments and capital projects, as well as to refund prior bond issuances. During 2024, the Authority issued no new tax-supported debt and did not refinance any Ad Valorem Tax Bonds, and made total debt service payments of \$39.1 million on the Ad Valorem Tax Bonds.

Revenue Bonds

On July 20, 2021, the Port Commission, as governing body of the Authority, approved the planning and development for the issuance of revenue bonds, the creation of the financing team, and on October 26, 2021, it authorized the issuance of Revenue Bonds, not to exceed \$400 million in net proceeds. In December 2021, the Authority issued \$322.2 million par value Series 2021 Revenue Bonds. Additionally, on July 25, 2023, the Port Commission authorized the Authority to issue a second revenue bond issuance with par value of \$393.6 million.

On December 31, 2024, total outstanding debt resulting from the Series 2021 and Series 2023 Revenue Bonds was \$789.6 million.

The Authority's revenue bond covenants require its net revenues available to pay 1.25x annual debt service for all outstanding first lien obligations. As of December 31, 2024, the Authority was in compliance with all Series 2021 and Series 2023 Revenue Bond covenants. A debt service reserve fund is not required to be funded unless the debt service coverage is below 3.0x. The Series 2021 and Series 2023 Revenue Bonds shall be payable solely from, and equally and ratably secured by a first lien on the Authority's net revenues. In 2024, the Authority made total debt service payments of \$45.5 million on Series 2021 and Series 2023 Revenue Bonds outstanding.

The proceeds on both series of bonds are to be used to (i) pay a portion of the Authority's costs for the design, construction, property acquisition and equipment of the Houston Ship Channel Expansion Channel Improvement Project ("Project 11") and (ii) pay the costs of issuance of the Bonds.

The total estimated cost (federal and local) of Project 11 based on the 2019 project feasibility is approximately \$1.02 billion. This cost estimate is based on design and construction costs with an accelerated schedule for the completion of Project 11.

Credit Ratings

Ad Valorem Tax Bonds

Port Houston's credit ratings relating to its Ad Valorem Tax Bonds, as of December 31, 2024:

<u>Moody's</u>	<u>S & P</u>	<u>Fitch</u>
Aaa	AA+	AA

Revenue Bonds

Port Houston's credit ratings relating to its Revenue Bonds, as of December 31, 2024:

<u>Moody's</u>	<u>S & P</u>
Aa3	AA+

Copies of the credit reports are available on the Authority's website (<http://porthouston.com>).

Note Purchase Programs

In October 2021, Port Houston executed a five-year \$100 million third lien variable rate note purchase program (“Note Program”) with BB&T Community Holdings Co. and Truist Bank (“Lender”).

In October 2024, Port Houston executed a five-year \$150 million third lien variable rate note purchase program, Series B (Note Program”) with Truist Commercial Equity, Inc. and Truist Bank (“Lender”).

Port Houston may issue either taxable or tax-exempt variable rate notes, under both Note Programs, in an aggregate principal amount not to exceed \$100 million and \$150 million, respectively. Both Note Programs third lien obligations shall be payable solely from and equally and ratably secured by a lien on the Authority’s net revenues (not from ad valorem taxes), subject to the prior and superior liens of the first lien obligations and the second lien obligations and were executed to provide additional liquidity for business opportunities, emergencies that may arise, or other unforeseen events.

No borrowings under the two third lien variable rate revolving note program have occurred to date.

Extendible Commercial Paper Programs

In April 2022, the Authority established a \$300 million Port of Houston Authority of Harris County, Texas Third Lien Revenue Extendible Commercial Paper ("ECP Notes") Program, Series A-1 (Tax Exempt) and A-2 (Taxable). In October 2024, The Port Commission approved a reduction of the ECP Notes authorized maximum PAR to \$150 million.

In June 2024, the Authority established a second \$300 million Port of Houston Authority of Harris County, Texas Third Lien Revenue Extendible Commercial Paper ("ECP Notes") Program, Series B-1 (Tax-Exempt Governmental), Series B-2 (Tax-Exempt OAB ECP Notes), and B-3 (Taxable).

The ECP Notes may be issued for a period not to exceed 90 days, which may be extended, but in no event later than 270 days following the date of issuance and the maximum principal amount outstanding may not exceed the authorized amount of each program. The ECP Notes may be issued to finance various capital projects or Channel improvement projects. During 2024, no ECP Notes were issued, and no notes were outstanding at December 31, 2024.

For More Information

Contact the Authority’s Treasury Department at 713-670-2405 or Treasury@porthouston.com. General questions may also be directed to Questions@porthouston.com.

* * *