



**PORT OF**  
**BROWNSVILLE**  
*the port that works*



**STATE**  
**PORT**

**OF THE**  
**20**  
**22**

# **WELCOME TO THE** **STATE OF THE PORT** **ADDRESS**

**MARCH 24, 2022**

# WELCOME REMARKS

# EDUARDO A. CAMPIRANO

*Port of Brownsville  
Director & CEO*





# THANK YOU TO OUR LEADERSHIP



## BROWNSVILLE NAVIGATION DISTRICT BOARD OF COMMISSIONERS



**SERGIO TITO  
LOPEZ**

*Chairman*



**RALPH  
COWEN**

*Vice Chairman*



**ESTEBAN  
GUERRA**

*Secretary*



**JOHN  
WOOD**

*Commissioner*



**JOHN  
REED**

*Commissioner*

# JOIN US IN PRAYER

REV. ANDREAS LEWIS – INTERNATIONAL SEAFARER CENTER

 **STATE** OF THE **PORT** 2022





# POSTING OF THE COLORS

 **STATE** OF THE **PORT** 2022

BROWNSVILLE POLICE DEPARTMENT HONOR GUARD





## FINANCIAL RESILIENCE

## PORT OF BROWNSVILLE

3<sup>RD</sup>

AMONG U.S. PORTS FOR

“STRONG FINANCIAL RESILIENCE”

INFRASTRUCTURE AND PROJECT FINANCE

MOODY'S  
INVESTORS SERVICE

## SECTOR IN-DEPTH

13 May 2020

✓ Rate this Research

## Contacts

Moses Kopmar +1.212.553.2846  
AVP-Analyst  
moses.kopmar@moodys.com

Kathrin Heitmann +1.212.553.4694  
VP-Senior Analyst  
kathrin.heitmann@moodys.com

Julie E Meyer +1.214.979.6855  
Analyst  
julie.meyer@moodys.com

William Oh +1.415.274.1739  
VP-Senior Analyst  
william.oh@moodys.com

Kurt Krummenacker +1.212.553.7207  
Senior Vice President/Manager  
kurt.krummenacker@moodys.com

Jim Hempstead +1.212.553.4318  
MD-Utilities  
james.hempstead@moodys.com

CLIENT SERVICES

## Public Ports – US

## Ports have strong financial resilience to manage coronavirus pressures

Restrictions on cargo flows and cruise sailings have already reduced throughput, and sharply contracting demand will further pressure US public ports' revenue. However, US ports' credit quality benefits from high levels of guaranteed annual payments from tenants — minimum annual guarantees (MAGs) — that support overall revenue stability amid periods of volatility. The value of these revenue guarantees depends on tenants remaining financially stable and having the resources to meet their contractual obligations. Accordingly, ports' debt service coverage and liquidity are key credit features that enable them to manage revenue disruptions and other extraordinary challenges in this period of unprecedented stress.

- » **Significant decline in cargo and cruise will stress port operators, but landlord model will temper immediate impact for most rated ports.** Port operators and customers will face significant pressure as throughput materially declines in the months ahead. The cargo decline will likely approach or exceed the roughly 20% decline of the 2008-09 global financial crisis. Cruise traffic, under 10% of revenue for the sector in aggregate but 40% or more of revenue for certain ports, remains suspended. However, most US ports are organized as landlords and receive 40%-70% of revenues in the form of guaranteed payments under long-term leases from tenants. The landlord model has historically proven to stabilize revenues in periods of volume declines.
- » **Strong liquidity bolsters ability to manage revenue disruption; all ports have cash to cover 12 months of debt service and operating expenses if revenues decline 50%.** Port credit profiles are buttressed by robust liquidity that enables coverage of operating and debt service expenses under extreme, and potentially protracted, stress

# STATE OF THE PORT ADDRESS



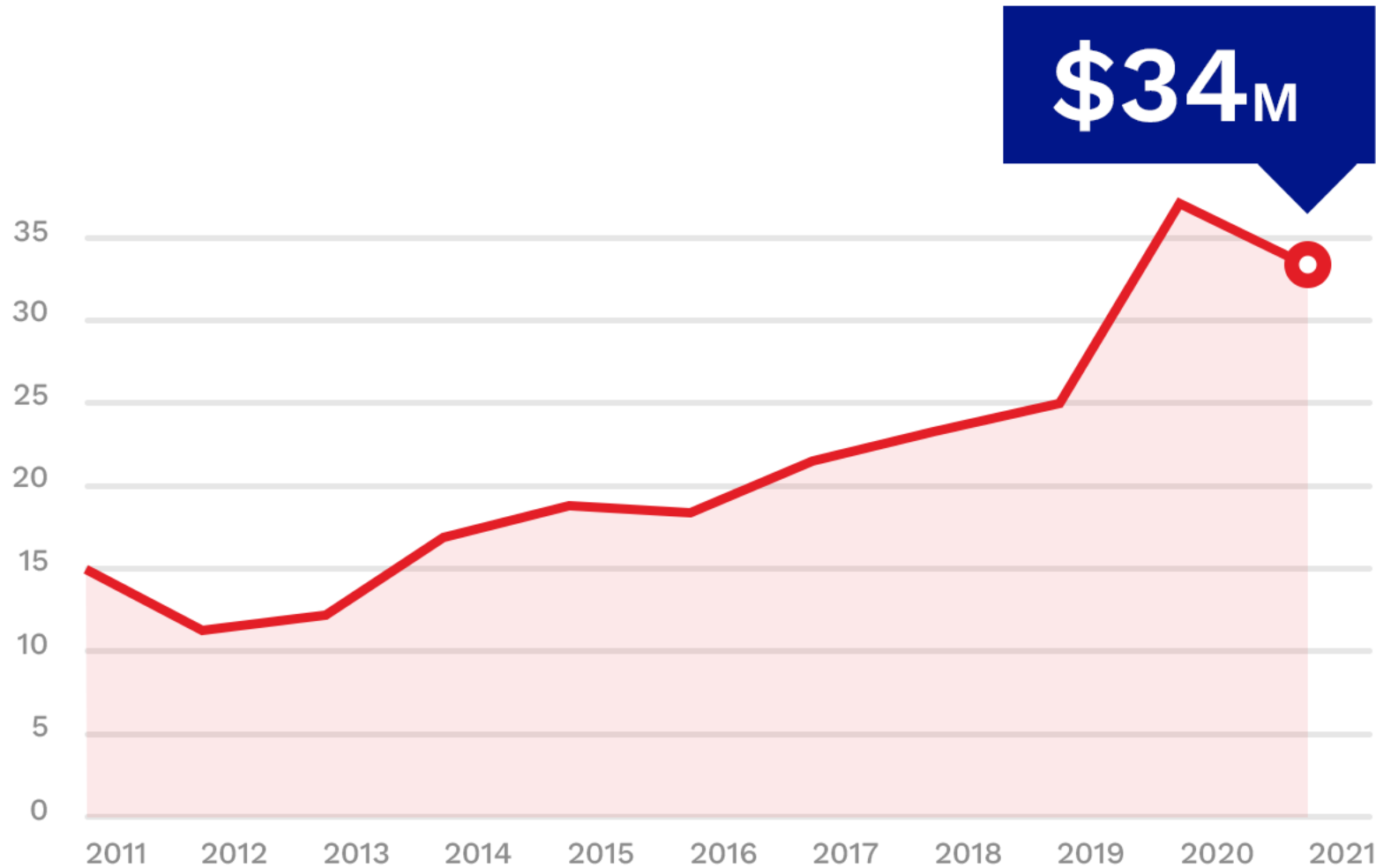
## SERGIO TITO LOPEZ

*Chairman, Brownsville  
Navigation District  
Board of Commissioners*





# PERFORMANCE FOR FY2021

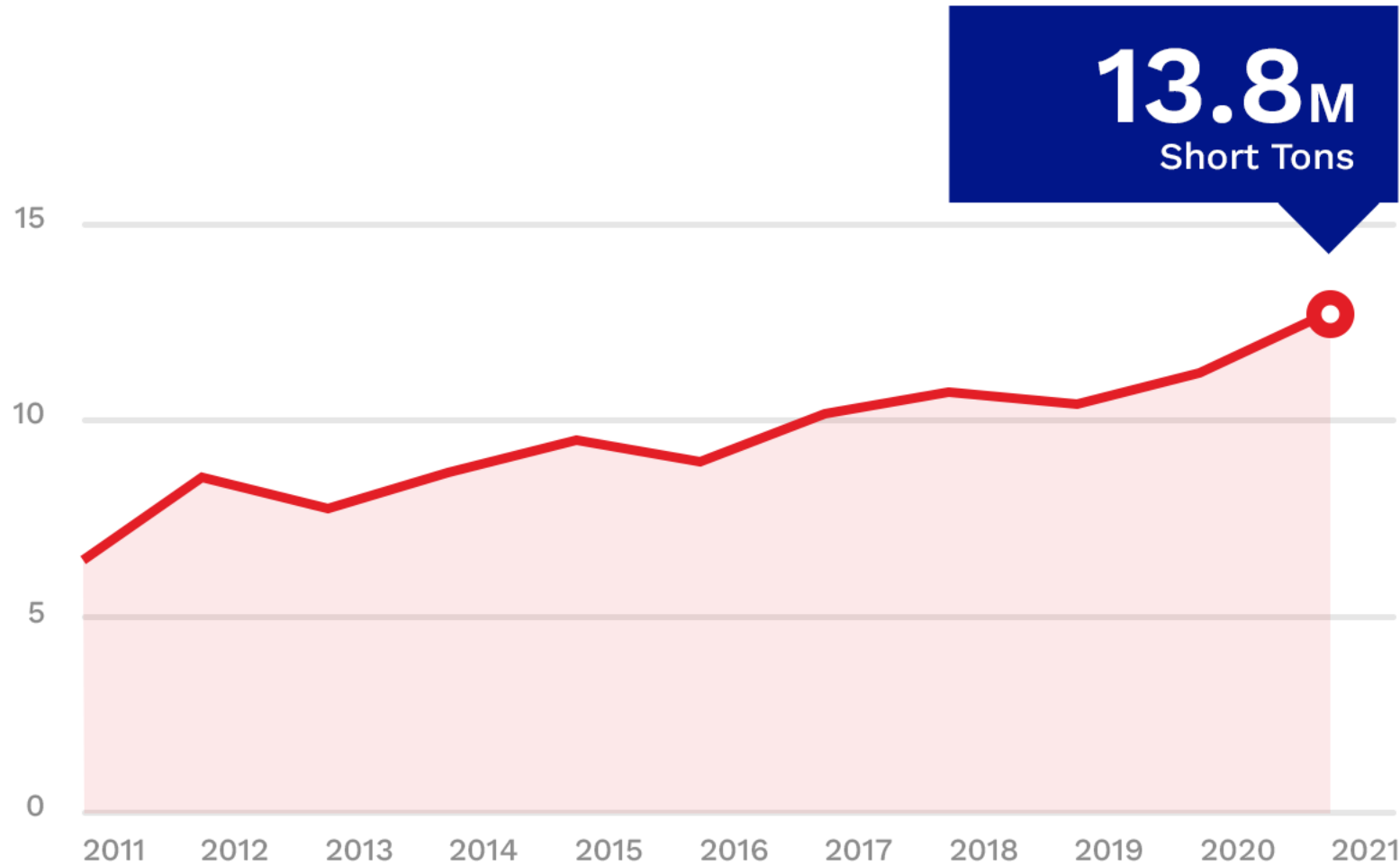


Surpassing the

**\$30**  
**Million mark**

for the second  
consecutive year.

# RECORD-BREAKING YEAR (TONNAGE)



**4.3M**  
Steel Commodities

**6.3M**  
Petroleum-Based  
Commodities



# MULTIMODAL LOGISTICS



**65,865**

**Railcar Movements**

FY 2021



**438,000**

**Truck Movements**

FY 2021



**1,855**

**Vessel Calls**

FY 2021



# FOREIGN TRADE ZONE NO. 62



## Top 3

Out of the 193 FTZs in the nation  
for the value of exports.



## + \$4B

In exported goods.



## + \$3B

In imported goods.

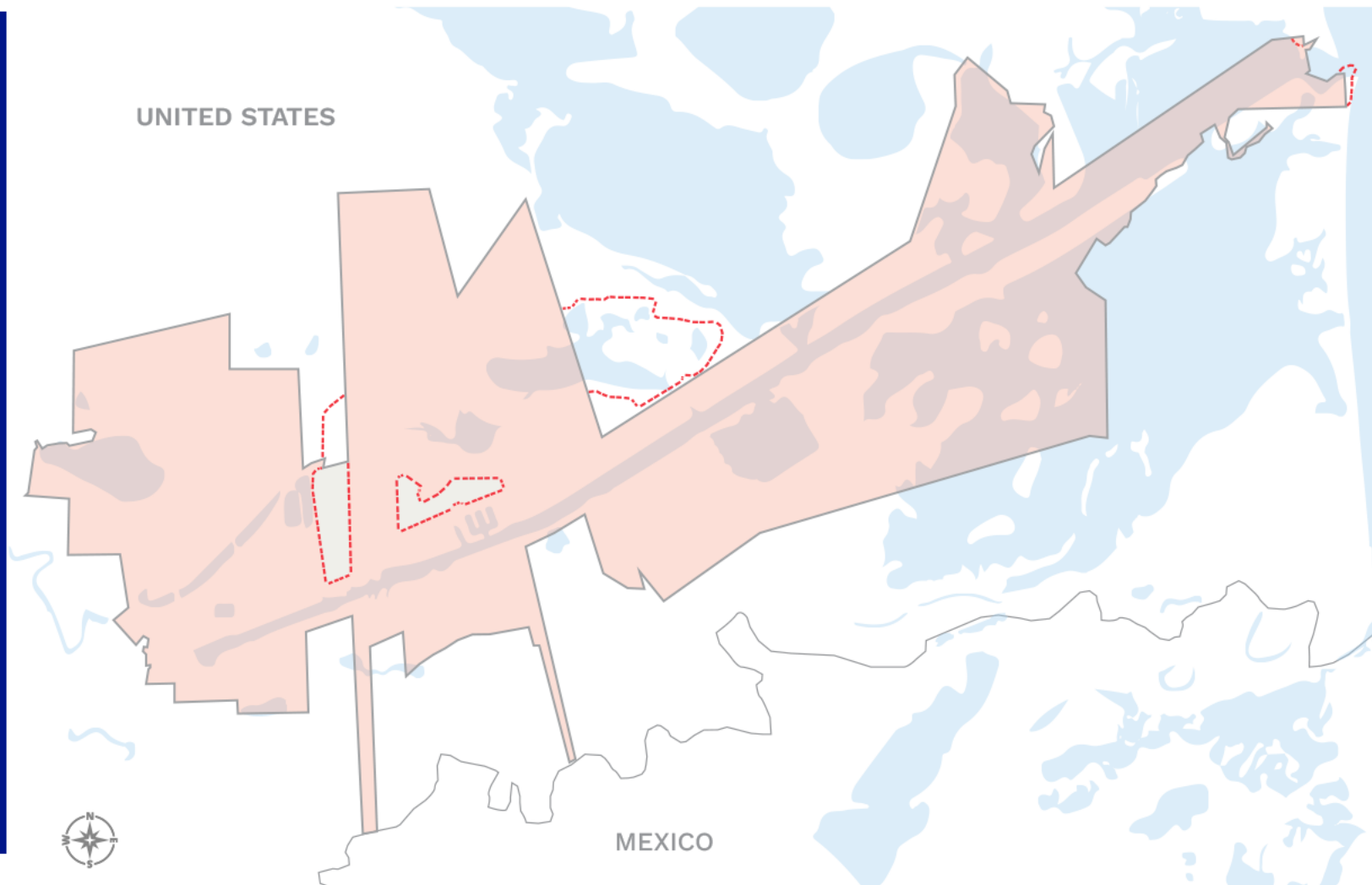


# ECONOMIC DEVELOPMENT



## New Committee

Tasked with recruiting and retaining value added industrial growth and creating well-paying jobs through strategic initiatives that focus on improving the port's competitiveness.



# SOUTH PORT CONNECTOR ROAD

 **STATE** OF THE **PORT** 2022



## Newest Commerce Route

In the Rio Grande Valley



## + \$100 M

In Construction and Rehabilitation  
of Port Infrastructure



## Multi-Agency Partnership



# STEEL STRONG



## EXCLUSIVELY SUPPLYING STEEL SLAB

To Feed Ternium's  
Hot Rolling Mill  
at Pesqueria.

 **STATE OF THE PORT** 2022





# NEW BUSINESS



## SUNOCO'S REFINED PRODUCTS TERMINAL



**\$55M**  
Investment



**560,000 Barrels**  
Of Storage Capacity

 **STATE OF THE PORT** 2022



**SUNOCO LP**

### Future Location of the Sunoco LP Products Terminal

Domestic: Unleaded, Premium, Diesel and Ethanol  
Exported: Unleaded, Premium and Diesel via Mexico

**713-989-6230**

For sales information | Para información de ventas

Opening April 2022



# PREMIER SHIP RECYCLING HUB



## ISL: First Shipbreaking Site In the U.S.

To Gain Ship Recycling Accreditation From the EU





# USS KITTY HAWK

## USS Kitty Hawk

The storied ship will be the 4th aircraft carrier to be recycled by ISL.





# THE PORT THAT *WORKS*

## Statewide

**51,000**

Jobs Created by  
Port's Maritime Activity

**\$3B**

Total Economic Activity

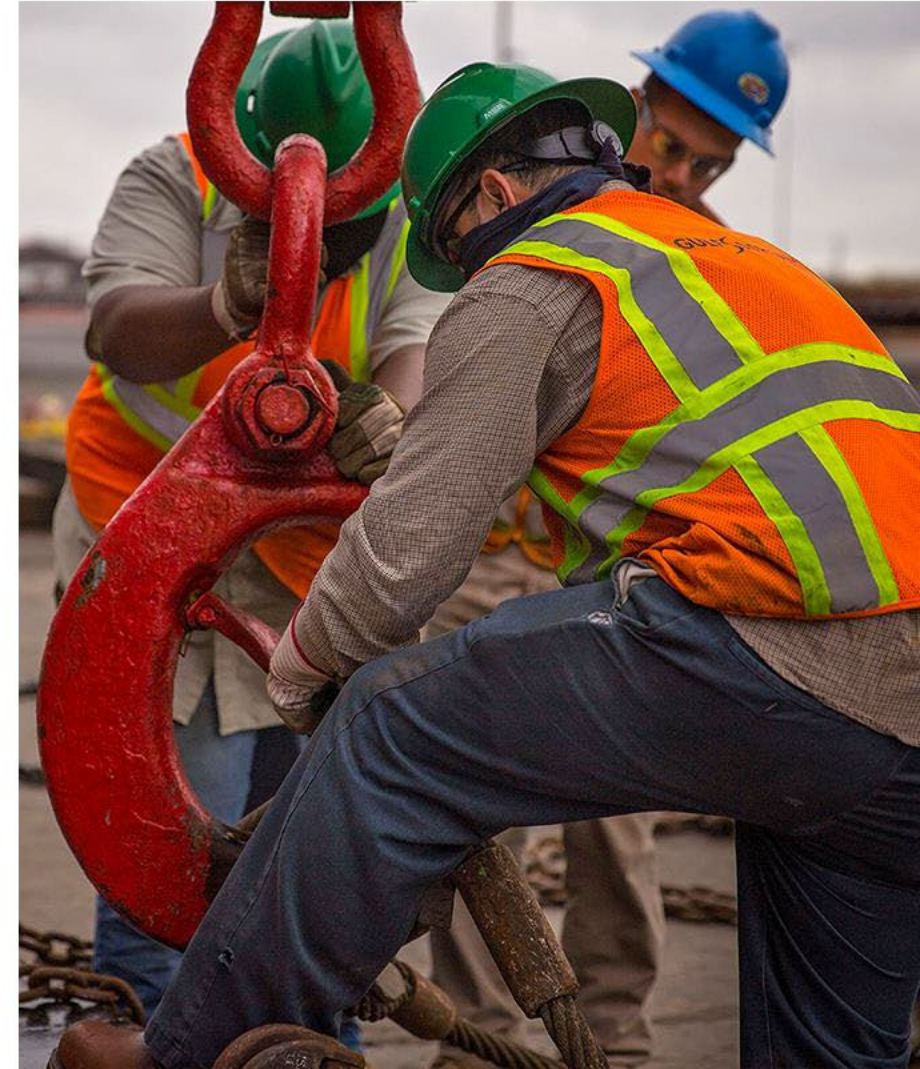
## Region

**\$2B**

Annually Into  
the Rio Grande Valley

**8,500+**

Direct, Indirect, and  
induced Jobs





# WORKFORCE DEVELOPMENT





# THE PORT THAT CARES

 **STATE** OF THE **PORT** 2022



**EACH YEAR,  
THE PORT AWARDS  
32 HIGH SCHOOL  
GRADUATING SENIORS**



**\$1,000  
Scholarship**

Each to Help Them  
Continue Their Education.





# SHAPING OUR ECONOMIC LANDSCAPE

 **STATE** OF THE **PORT** 2022





# KEYNOTE SPEAKER



## DR. M. RAY PERRYMAN

*President & CEO,  
The Perryman Group*







**PORT OF**  
**BROWNSVILLE**  
*the port that works*



**STATE**  
**PORT**

**OF THE**  
**20**  
**22**

# THANK YOU!