



**Mississippi State Port Authority at Gulfport  
A 5-Year Strategic Plan**

*Fiscal Years 2018 - 2022*

# THE VISION OF THE PORT OF GULFPORT

## 1. COMPREHENSIVE MISSION STATEMENT

The mission of the Port of Gulfport is to provide world-class maritime terminal service to our customers and to facilitate economic growth and jobs for the people of Mississippi through the promotion of domestic and international trade.

## 2. STATEMENT OF AGENCY PHILOSOPHY

The Port of Gulfport is committed to leveraging the assets of the Port and the State, to create a more sustainable operation, and to assist Mississippi companies in reaching global markets. The philosophy of the Port is to adhere to the highest ethical standards, in order to be transparent and accountable to our local community and citizens of the State.

## 3. RELEVANT STATEWIDE GOALS AND BENCHMARKS

**Statewide Goal #1:** To develop a robust state economy that provides the opportunity for productive employment for all Mississippians.

### **Statewide Benchmarks #1:**

1. Volume of cargo at the Port, this is measured in twenty-foot equivalent units (TEUs) and tonnage.
2. Number of new tenant leases and new jobs created resulting from recruitment of businesses to the State of Mississippi.

**Statewide Goal #2:** To ensure that the construction and maintenance of infrastructure is adequate to meet the needs of tenants and businesses utilizing the Port in order to foster economic growth.

### **Statewide Benchmarks #2:**

1. Number of tenants utilizing the Port's facilities
2. Percentage of increased capacity
3. Number of Mississippi companies that are directly associated with the Port

#### **4. OVERVIEW OF THE PORT OF GULFPORT'S 5-YEAR STRATEGIC PLAN**

The Port of Gulfport is a deep-water, international seaport with more than 100 trading partners worldwide. Annually, the Port handles approximately 250 vessels, as well as more than 2.5 million tons and 225,000 TEUs. The strategic location of the Port allows trucking companies to distribute products to 75 percent of the U.S. markets within 24 hours. The Port's central location also benefits our Nation's military by serving as one of the 17 Strategic Seaports in the United States.

The Port is ranked as the third busiest container port in the U.S. Gulf and is currently a key gateway for Central America; in addition, Gulfport is the second largest green fruit facility in the United States. The Port is preparing for potential future growth with South America, the Caribbean, the Far East and Europe.

The Port's leadership and staff remain diligently focused on economic development and job creation opportunities. In the past four years, the Port has signed leases with new maritime tenants, expanded the presence of existing tenants such as Chemours, Dole, Island View and Crowley, acquired a 116-acre inland port facility, became the home port for USM's research vessel R/V Point Sur, and signed a new deal with Chiquita allowing them to return to Gulfport. Most recently, the Port approved a 40-year lease agreement with SeaOne Gulfport, LLC, advancing the plans to establish a processing facility, which will allow for the exporting of compressed gas liquids (CGL). The Port continues to diversify our tenant mix and pursue opportunities in strategic industries that are strong within Mississippi's economic development focus.

Following Hurricane Katrina, federal aid was allocated to the State of Mississippi to assist in recovery and building efforts. The Port was designated as a key element in these efforts, and the Port of Gulfport Restoration Program (PGRP) was developed to re-establish a sustainable port facility capable of repositioning the Port within the maritime industry and providing jobs to Mississippi residents.

In order to return to full and enhanced operational capability, the Port has prepared and developed a comprehensive capital investment program that involves engineering, planning and construction of new facilities. The (PGRP) addresses current planning needs and incorporates the requirements needed to satisfy the Port's long-range growth opportunities and goals.

The current PGRP cost estimate is nearly \$600 million, which has allowed the Port to restore facilities and satisfy current and future tenant needs for years to come. The PGRP will allow for the Port to maintain our competitive position in the maritime industry and lay the groundwork for continued economic growth in the region today and for future generations.

Several key elements of the PGRP have been completed as part of the construction phase. These key projects include:

- West Pier Wharf Upgrade - \$56 million
- Procurement of Three Ship-to-Shore Gantry Cranes - \$33 million
- Commercial Small Craft Harbor Improvements - \$7 million
- Terminal 3 Maintenance & Repair Facility - \$3.3 million
- Ground Storage Water Tank - \$5 million
- Truck Scales - \$320,000

Current and future construction projects include:

- Barge Mooring Project - \$3 million
- West Terminal Facilities (Phase 1) - \$51 million
- Marine Research Center (for USM) - \$11 million
- North Harbor (West) - \$13 million
- Highway 90 Landscaping - \$2.7 million
- Terminal 3 Admin & Gate Facility - \$5.3 million
- Terminal 1 Maintenance & Repair Facility and Gate - \$5.7 million
- Shed 16 Improvements - \$4 million
- Port Security Plan & Equipment - \$1 million
- West Pier Phase 2 - \$44 million
- West Pier Phase 3 - \$8.2 million

The goal of a deeper navigational channel is still part of the broader strategic plan to create a more competitive port. In 2014, the Port agreed to contribute \$8 million from Port reserves, along with funding from the U.S. Army Corps of Engineers to dredge the channel to its full operational depth of 36 feet, which has increased capacity and efficiency for the Port and our tenants. Since that time, the Corps completed another round of maintenance dredging, which was fully funded by the federal government.

To encourage future growth, the Port is also pursuing the necessary approvals to deepen the channel up to 47 feet to allow for larger vessels to enter Gulfport. As the Port looks to further expand our footprint, the process to deepen the channel is a multi-year effort including congressional, regulatory and federal agency approvals to move forward.

A vital component of ensuring the Port has the proper funds to maintain the channel depth has been the Port's latest Strategic Seaport Designation. In May 2016, the U.S. Congress approved legislation prioritizing funding for deep-draft harbors and channel dredging for commercial ports which have been designated as strategic to national defense, such as the Port of Gulfport.

In addition to these publically funded programs, the Port has experienced significant increase in privately funded projects. Many of the Port's tenants are investing private capital, in order to further establish their operations in Gulfport. Such investments include:

- **Island View Casino** - \$58 million renovation of their hotel tower in 2015, which is located on Port property just south of Highway 90. Additionally, Island View recently broke ground on a new \$75 million Beach Casino which is set to open in the summer of 2018.
- **McDermott International** – \$25 million investment for improvements and construction of a new spool-base operation on the East Pier.
- **Chemours** (formerly DuPont) - \$85 million investment between the Port and Chemours, which allowed for the construction of a new bulk-handling facility including 15 new silos to store raw materials.
- **TopShip** - \$68 million investment for improvements at the Port's Inland Port Facility located on Seaway Road in Gulfport. This project is expected to create up to 1,000 full-time jobs.
- **SeaOne** - \$450 million investment for a Compressed Gas Liquids (CGL) production facility on the West Terminal. SeaOne is expected to become the largest contributor of revenue at the Port. Construction is set to begin in early 2018, with commissioning of the plant for operation in April 2020.

The Port continues to actively pursue additional tenants as well as plan for future expansion. In June 2017, the U.S. Army Corps of Engineers (USACE), Mobile District, released the Final Environmental Impact Statement (FEIS) for the proposed Port of Gulfport Expansion Project (PGEP) for a 30-day public and

agency review. The FEIS presents the results of the USACE's analysis of the environmental effects of the proposed project.

If approved, the following actions would take place around the Port site:

- Filling of 196.5 acres of estuarine mud and sand bottom habitat for the expansion of port facilities and permanent conversion of 85 acres to deeper habitat
- Dredging of approximately 7.68 million cubic yards of material for the expansion of Port facilities and deepening of the existing Port-maintained turning basin
- Disposal of dredge sediments in either: the Biloxi Marsh Complex Beneficial Use Site, the Pascagoula Ocean Dredged Material Disposal Site, the Harrison County Development Commission's dredged material disposal site, or another approved upland disposal area

It should be noted that these plans are considered to be dynamic and may be altered and revised depending upon market demands, the economy, and environmental regulatory agency reviews and approvals.

## **5. EXTERNAL / INTERNAL ASSESSMENT & INTERNAL MANAGEMENT SYSTEMS**

The following are significant external factors, which may impact the Port of Gulfport's performance:

- 1) Changes in global economic conditions may impact the performance of the Port.
- 2) The Port's economic return assumes that gaming operations on Port property will provide about 40 percent of revenue per year for the Port. Four years ago, gaming revenue accounted for 60 percent of the Port's revenue.
- 3) Damage resulting from hurricanes and other natural disasters can severely damage and impact existing and future Port facilities. Damages to Port facilities could also impact trading partners, resulting in negative performance.
- 4) In general, the competitive nature and environment of operating a port can have impacts (negative and positive) on operations and revenue.

The Port of Gulfport's Finance Department prepares managerial monthly financial and informational reports comparing actual performance and management's objectives. The Port has effectively managed operations, ensuring the occurrence of timely debt payments. By September 1, 2018, the Port will have extinguished all long term debt.

The Port's Board of Commissioners meet monthly to conduct business, establish policy, and discuss management efforts in meeting all policy and program objectives. The Port has an annual audit performed by an independent, licensed CPA firm which is conducted in accordance with the Government Auditing Standards. For the past 20 years, the Port has had a clean, unmodified opinion with no financial statement findings or federal findings.

## **6. AGENCY GOALS, OBJECTIVES, STRATEGIES AND MEASURES BY PROGRAM for FY 2018 – FY 2022**

### **Program 1: Port Operations**

**GOAL A: Complete the comprehensive Port of Gulfport Restoration Program, in order to provide state-of-the-art facilities for tenants and customers.**

**Objective A.1.** Effectively manage the construction projects associated with restoring and expanding the Port of Gulfport while maintaining efficient Port operations.

*Outcome:* Completion of projects on time and within budget

*Outcome:* Percentage of increase in operating revenues

**A.1.1. STRATEGY:** Monitor construction progress, ensuring projects are completed in a timely manner.

*Output:* Number of construction projects completed

*Efficiency:* Projects completed on time and within budget

*Explanatory:* Contractor performance, processes and approvals from outside agencies, unexpected weather conditions

**GOAL B: Develop and implement a diverse, effective and engaging business recruitment strategy.**

**Objective B.1.** Senior management will actively work with current tenants to ensure their business needs are met, while also proactively recruiting new businesses to the Port of Gulfport.

*Outcome:* Maintain current long-term lease agreements with tenants and enter into long-term lease agreements with new maritime and non-maritime tenants

*Outcome:* Strengthen and increase operating revenue

*Outcome:* Enhance economic development activity at the Port of Gulfport and surrounding region

**B.1.1. STRATEGY:** Maintain current lease agreements and recruit new tenants to the Port of Gulfport.

*Output:* Number of existing tenants, combined with number of potential new tenants

*Efficiency:* Percentage of Port property that is actively utilized for maritime and non-maritime activity with a corresponding yield of revenue

*Explanatory:* Availability of real property, timeliness of infrastructure build-out, global pressures on tenant activities

**GOAL C: Increase the public's knowledge and understanding that the Port of Gulfport is committed to creating 1,300 new jobs for Mississippi residents and providing economic stability for the region.**

**Objective C.1.** Educate and inform the public about: the types of tenants that utilize the Port's facilities, the status of the Restoration Program, and job creation efforts.

*Outcome:* Number of citizens that will take steps to prepare for future employment opportunities at the Port

*Outcome:* Increased public support of the Port's efforts, including the work being done with the Restoration Program

*Outcome:* Enhanced standard of living for Mississippi residents



**C.1.1. STRATEGY:** Encourage public support and understanding of the Port's operations, which will lead to job fulfillment by Mississippi residents.

*Output:* An increase in the number of individuals employed by tenants of the Port

*Efficiency:* Availability of job opportunities at the Port

*Explanatory:* Changes in tenant hiring, calculated change in the Port's strategic direction