



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

Fiscal Years 2025-2029

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, to facilitate economic growth, and to foster job growth 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 sustainably 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 GOALS AND BENCHMARKS

ECONOMIC DEVELOPMENT

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

Relevant Benchmarks #1:

1. Number of new tenant leases and jobs resulting from recruitment of businesses to the State of Mississippi
2. Volume of cargo activity at the Port, measured in twenty-foot equivalent units (TEUs) and tonnage
3. Number of employees of the International Longshoreman's Association (ILA) and number of hours worked is a direct contribution to our local economy
4. Number of externally funded capital investments, leases signed, and jobs created

EDUCATION: HIGHER EDUCATION

Goal #2: To make available an accessible, quality public higher education at an affordable cost that prepares Mississippians to become productive, financially self-sufficient members of society while meeting the human resource needs of Mississippi and its employers, including the creation of new jobs through the commercialization of university-based research.

Relevant Benchmarks #2:

1. Number of partnerships and further development with local schools, institutions, and The University of Southern Mississippi on education activities at the Port of Gulfport Marine Research Center and Roger F. Wicker Center for Ocean Enterprise, which are utilized by USM's School of Ocean Science and Engineering
2. Number of students trained, certified and employed through our partnerships with universities and institutions
3. Number of workforce development and training hours of ILA employees

PUBLIC SAFETY AND ORDER

Goal #3: To protect the public's safety, including providing timely and appropriate responses to emergencies and disasters, and to operate a fair and effective system of justice.

Relevant Benchmarks #3:

1. Number of containers scanned by United States Department of Homeland Security to monitor all imports for public health and safety
2. Number of United States Military training exercises completed, and vessel activity to include equipment import and export
3. Number of attendees at hurricane preparedness meetings
4. Average emergency response time to evacuate tenants and secure port in case of natural disaster.
5. Average time for the Port and businesses located on the Port site to recover following a natural or man-made disaster

NATURAL RESOURCES

Goal #4: To ensure that current and future generations have access to the State's abundant natural resources through restoration, protection, conservation, and wise development of those resources.

Relevant Benchmarks #4:

1. Number of inspections to ensure quality of air and water standards in and around the Port are up to national standards
2. The percentage of Port real-estate pledged to economic development
3. Number of electric vehicles, equipment, and cranes
4. Number of 'Green Marine' initiatives
5. Number of hours contributed to The University of Southern Mississippi's 'Gulf Blue' program

INFRASTRUCTURE

Goal #5: To ensure the construction and maintenance of infrastructure (including roadways, waterways, railways, airports, water and sewer systems, pipelines, electricity lines, broadband connections, public buildings) adequate to meet the needs of citizens and the business community and to foster economic growth.

Relevant Benchmarks #5:

1. Number of tenants utilizing the Port's facilities
2. Number of companies especially Mississippi companies that are directly and indirectly associated with the Port
3. Number of dollars spent in new construction
4. Number of dollars spent on repairs and maintenance
5. Amount of dollars spent in mitigation projects

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

The Port of Gulfport is a deep-water, international seaport located in Gulfport, Mississippi with more than 100 trading partners worldwide. Annually, the Port receives about 330 deep draft vessels, as well as more than 2 million tons of cargo and approximately 200,000 TEUs. The strategic location of the Port allows customers to distribute products to a majority of the U.S. market within 24 hours, with cargo reaching as far west as El Paso, TX, north to Chicago, IL, and east to Charleston, NC. As a key gateway for Central America, the Port of Gulfport is the second largest green fruit import facility in the United States.

Encompassing nearly 300 acres, the Port of Gulfport has nearly 6,000 feet of berthing space across 10 vessel berths, 110 acres of open storage space, and 600,000 square feet of covered warehouse space. There is also a specialized ramp built for roll-on/roll-off vessels, and the Port is equipped with three ship-to-shore gantry cranes. The Port's centralized location on the Gulf of Mexico makes it an ideal partner for inbound and outbound maritime commerce, providing customers with a short 18-mile transit from sea buoy to dock.

The Port's leadership and staff remain diligently focused on economic development and pursuing opportunities in strategic industries that are strong within Mississippi's economic focus. In addition to maritime commerce recruiting efforts, the Port has leveraged the presence of multiple military installations throughout South Mississippi into additional throughput opportunities. In November 2015, the Port became one of only 18 Strategic Seaports in the nation. This strategic designation has allowed the Port to participate in the loading and unloading of military equipment, resulting in more labor hours for the I.L.A. - Local 1303. Additionally, the Port's location has been designated as a Qualified Opportunity Zones (QOZ), which allows for the creation of tax incentives for investors who invest in certain areas.

In 2018 the Port of Gulfport completed the Port of Gulfport Restoration Program (PGRP) which was developed to re-establish a sustainable Port facility capable of repositioning the Port within the maritime industry and providing jobs to Mississippi residents.

As a result of the restoration project completion, the Port of Gulfport has entered into a long-term agreement with Ports America, the largest terminal operator and stevedore in the United States. Ports America has committed to developing Terminal 4, which was added due to the restoration project.

In recent years, the Port has experienced a significant increase in privately funded projects outside of the PGRP. Many of the Port's tenants have invested private capital to further establish their operations in Gulfport, such as Island View Casino Resort, The Chemours Company, and Ocean Aero. Additionally, the Port continues to pursue grant money to support expansion efforts for further development in and around the Port site.

In September of 2021, the Port of Gulfport welcomed Ocean Aero, Inc., who transferred their headquarters and manufacturing from San Diego, CA to Gulfport, MS for the construction, testing, and demonstration of Autonomous Underwater and Surface Vehicles (AUSVs) at the Port of Gulfport. This relocation has created more than 50 new jobs and it is expected to continue to do

so. Ocean Aero is approaching completion of a \$6 million renovation of warehouse space on the East Pier to meet their future manufacturing and headquarters' needs at the Port of Gulfport. In addition to Ocean Aero's new warehouse, they have also partnered with Port tenant The University of Southern Mississippi to provide job opportunities and train students on the Port.

Tenants such as Ocean Aero and Dole have remained active in the community by connecting with local leadership organizations, city events, etc.

In February 2020, the Port of Gulfport was awarded a \$15.7 million grant from the U.S. Department of Transportation's (USDOT) Maritime Administration (MARAD) as part of the Port Infrastructure Development Program. This funding is designed to improve Port facilities at or near coastal seaports. MSPA will use these funds for the construction of the Port of Gulfport Access Project.

In June of 2022, the Port of Gulfport was announced as the recipient of a \$650,000 MDOT multimodal grant. These funds were used to rehabilitate the East Pier rail infrastructure. The Project included repairing approximately 4,100 track feet of rail and replacing sole plates and other track material inside an East Pier warehouse. This project has been completed and opens the East Pier to transport break-bulk goods. These rail movements help alleviate stresses on the supply chain and provide lower carbon emissions compared to transporting by truck.

The Port of Gulfport Access Project proposes to improve the roadway infrastructure that feeds into the Port in order to develop intermodal connectivity. The Port of Gulfport Access Project will connect directly to the Port's western entrance which facilitates all freight and military movement in and out of the Port. As of July 2022, this project is in the design phase, and once the design process is complete, construction is expected to last two years.

In addition to the Access Project, the Port has been working with the Gulf Regional Planning Commission (GRPC) to conduct a Port of Gulfport Traffic Mitigation and Congestion Study. The initial study is scheduled to include industrial traffic feeding into 30th Ave in Gulfport from Canal Road and Highway 49 and then passenger traffic on Cowan Lorraine in Gulfport. This study will assist in determining the best mitigation, safety, technology, and congestion improvement alternatives in order to make necessary improvements in traffic coming to and going from the Port. The Project is funded by a \$200,000 federal grant administered by the GRPC and a \$50,000 match made by the Port of Gulfport.

The Traffic Mitigation and Congestion Study will help improve the transportation mesh surrounding the Port by utilizing smart technology to note new truck routes. Smart board technology will help increase efficiencies without increasing infrastructure around the Port site. In addition, safety improvements will make it easier and safer for pedestrian and bike traffic, especially at access points leading to the Port. The use of advanced technologies such as traffic calming and smart technology will increase capacity and improve connectivity, efficiency, and safety.

The Port of Gulfport actively seeks opportunities that will increase the development of private-public partnerships within the region. Through the Port's partnership with The University of

Southern Mississippi, the Port has developed a roadmap that will build new capacity for Mississippi's Blue Economy. From serving as home port for USM's research vessel the *Point Sur* to the Marine Research Center, and now the construction of the Roger F. Wicker Center for Ocean Enterprise, which broke ground in November 2019, these efforts will bolster the region's Blue Economy and create a unique maritime technology environment for the Mississippi Gulf Coast.

The new Roger F. Wicker Center for Ocean Enterprise facility will open the door for further investments in high-end engineering and advanced technology development in Mississippi. Encompassing nearly 62,000 square feet, the facility is located near the Port's North Harbor site and will allow operations to have secure access to an ocean testing environment. The building will include administrative offices, classrooms, laboratories, and storage areas. The Project is nearing completion, with anticipated occupation dates in 2023.

The goal of a deeper navigational channel is a key part of the broader strategic plan to create a more competitive port. The U.S. Army Corps of Engineers (USACE) oversees maintenance dredging which is typically fully funded by the federal government. Currently, the channel is dredged to its full operational depth of 36 feet.

In April of 2023, the Port of Gulfport hosted the Assistant Secretary of the Army for Civil Works to sign the agreement that marked the beginning of a three-year Feasibility Study by the USACE Mobile District Office on the potential impacts and possibility of deepening the Federal Navigation Channel (FNC) to 46-feet of depth. The Port of Gulfport and USACE are developing a project management plan (PMP) that outlines the study.

The trajectory of deepening the Federal Navigation Channel was outlined in a recently completed Strategic Master Plan (SMP) in February of 2023. This plan lists seven lines of effort of the Port of Gulfport, one being deepening and widening the FNC. Also listed is the development of terminal four, revitalization of the East Pier, involvement in the blue economy, providing cold chain infrastructure, etc. The Port is actively working towards the completion of all the lines of effort to promote focus and growth.

Cold chain infrastructure has become a priority for the Port. MSPA administration has met with multiple developers and operators and anticipates executing an agreement with one in the coming months. This cold storage facility would be built on the Port's Cotton Compress land off of 28th street.

As the Port's business portfolio continues to grow, it is necessary to evaluate those future expansion options at the deep-water terminal that will allow for even greater throughput potential. In November 2017, the Army Corps of Engineers released the Record of Decision (ROD) for the Port of Gulfport Expansion Project (PGEP). The ROD detailed the Corps of Engineers' decision on all of the issues discussed in the Final Environmental Impact Statement (FEIS), including the environmental impacts associated with the PGEP.

The Project is expected to include a 282-acre dredge and fill program, which will allow for further expansion of the West Pier, North Harbor, East Pier, and the construction of a 4,000-linear foot

breakwater system. The ROD provided the Port with the opportunity to further diversify business development activities, while also establishing the Port as a catalyst for economic development on the Mississippi Gulf Coast.

The Port of Gulfport is essentially an economic development agency with transportation at the core of its daily operations. While the Port is often locally associated with cargo container operations, through enhancing existing sources of revenue and identifying new opportunities for business development, the Port has quickly become a microcosm of South Mississippi's economy. Hard work and dedication over the years have created a diverse mix of industries presently at the Port, featuring not only cargo operations, but also tourism, education, and manufacturing.

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 less than 40 percent of revenue per year for the Port. In 2009, gaming revenue accounted for 60 percent of the Port's revenue.
- 3) Damage resulting from hurricanes and other natural disasters can severely impact existing and future Port facilities. Damage 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 objectives. The Port has effectively managed operations, ensuring the occurrence of timely debt payments. In September 2018, the Port extinguished all long-term debt.

The Port's Board of Commissioners meets 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. The Port has had clean audits with no findings in the last 12 years.

6. AGENCY GOALS, OBJECTIVES, STRATEGIES, AND MEASURES BY PROGRAM for FY 2025–FY 2029:

PROGRAM 1: PORT OPERATIONS

GOAL A: Develop and implement a diverse, effective, and engaging business recruitment strategy to benefit overall Port operations

Objective A.1. Port 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: Increase (Decrease) Number of Vessel Calls (%)

Outcome: Increase (Decrease) Tons of Cargo Shipping (%)

Outcome: Increase (Decrease) Number of Containers Handled (%)

Outcome: Increase (Decrease) Number of Intermodal Tons Shipped (5)

A.1.1. STRATEGY: Maintain current tenant agreements and recruit new tenants to the Port of Gulfport

Output: Number of Vessel Calls, Number of Short Tons, Number of TEUs, Tons of Intermodal Cargo

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

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

PROGRAM 2: DEBT SERVICES

GOAL A: Extinguish any outstanding debt at the Port of Gulfport

Objective A.1. Effectively manage Port operations so that timely debt payments occur

Outcome: Bonded debt was eliminated in Fiscal Year 2019