



City of Seabrook Annual Report

September 10, 2020

Presented By:
Chad Burke
President/CEO

Economic Alliance Houston Port Region
chad@allianceportregion.com



Our Mission

A non-profit organization, created in 1985, whose mission is to grow and market a vibrant regional economy.



Our Footprint

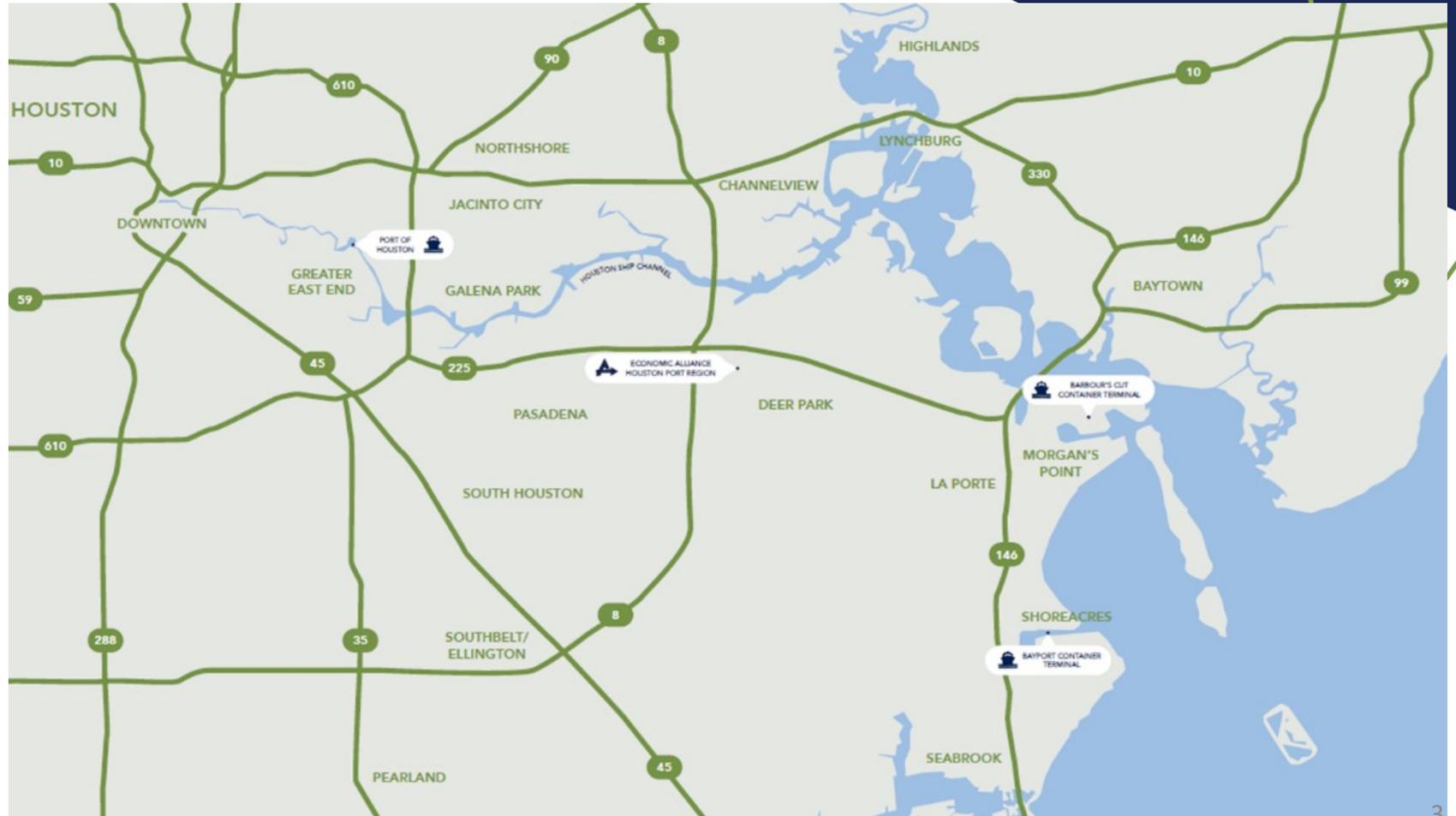
Most sought-after region in the world for petrochemical, manufacturing, maritime and logistics operations.

25 miles of the Houston Ship Channel:

1. World's largest petrochemical complex
2. Nation's busiest port in terms of foreign tonnage

12 Cities, Harris County, Port Houston

250+ Private Sector Members



The Impact of the Houston Ship Channel

Our region produces:

27% of the nation's gasoline

60% of the nation's aviation fuel

80% of the nation's military grade fuel

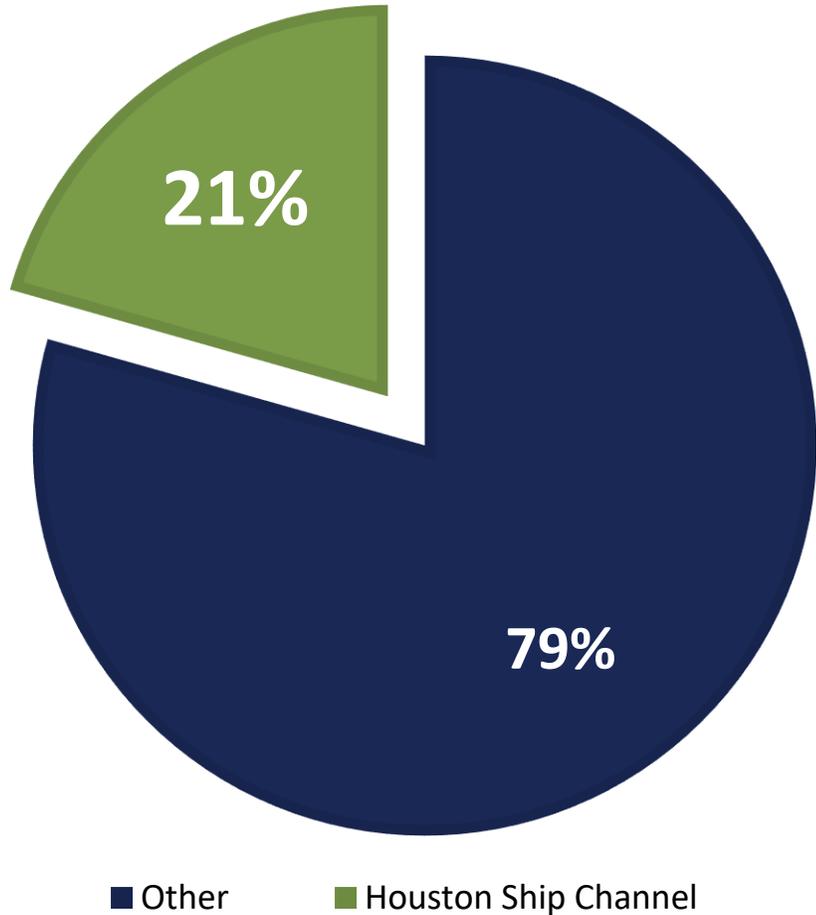
35% of the nation's natural gas production

42% of the nation's specialty chemical

feedstock



State GDP along HSC



In 2018, the Houston Ship Channel

- generated nearly **\$802 billion** in U.S. economic value
- supported **3.2 million jobs**
- provided **\$38 billion in tax revenue**

In Texas, it

- generated **\$339 billion** in economic value
- sustained **1.3 million jobs**
- generated **\$5.6 billion in state and local tax revenue**

Houston: the Busiest Port

**Houston Annual Barge
Movements:
220,000**

2016 Deep Draft Vessel Arrivals

Galveston: 840
Texas City: 1,171
Houston: 8,284

4,297

NY/NJ

4,601

LA/LB

10,295

HSC

*Photo Credit: Capt. Lou Vest
Data Source: GHPB, Marine Exchange of Southern
California, Maritime Assoc. of Port of New York
and New Jersey*

Gulf Coast Private Investments Dwarfs Investments by All Other Ports

Region	Capital Spend By Ports 2016-2020	Private Sector Port Capital 2016-2020
Great Lakes	\$0.5	\$0.5
North Pacific	\$1.3	\$2.7
North Atlantic	\$3.6	\$1.2
South Pacific	\$4.6	\$3.1
South Atlantic	\$7.6	\$1.8
Gulf Coast	\$5.0	\$122.8
	\$22.6	\$132.1

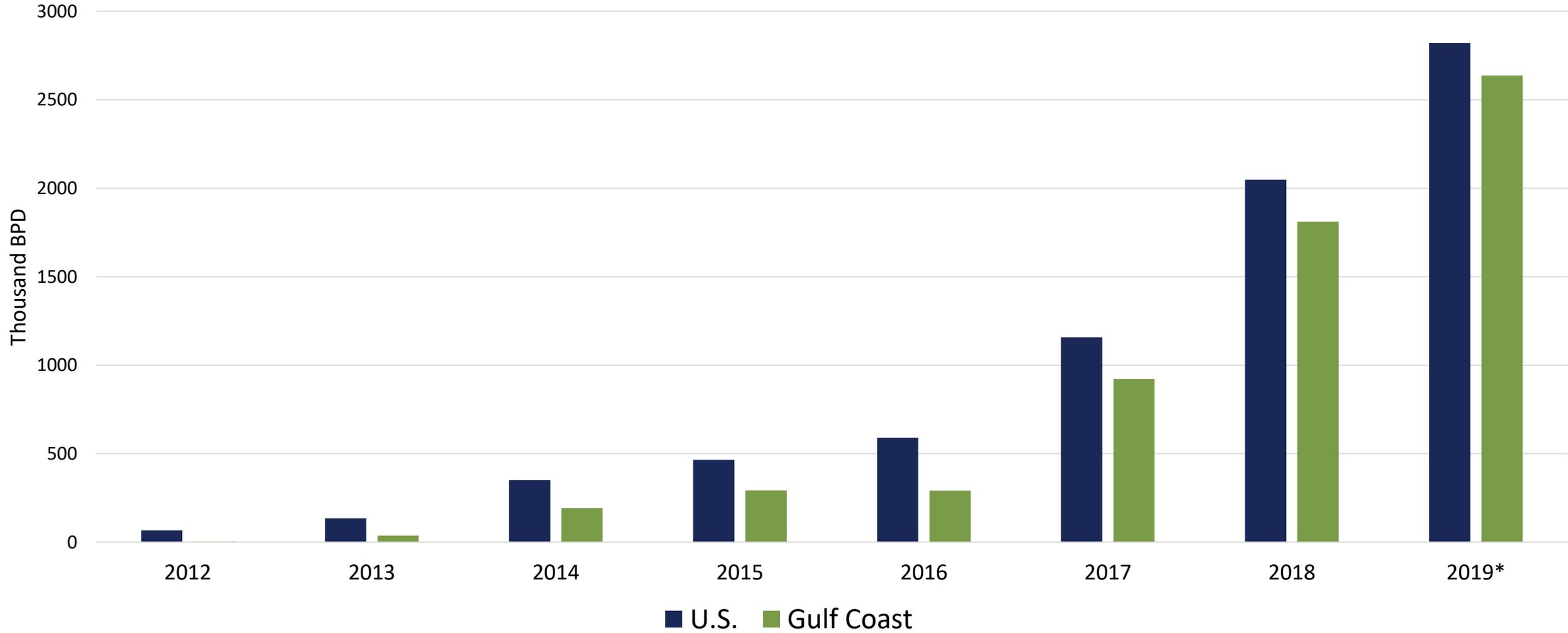
Source: EPD Fundamentals, American Association of Port Authorities; 2016-2020 Port Planned Infrastructure Survey (Dollars in Billions)

While most ports' capital is driven by imports of foreign-made products, the Gulf Coast is driven by private investments supporting the U.S. Energy Revolution.

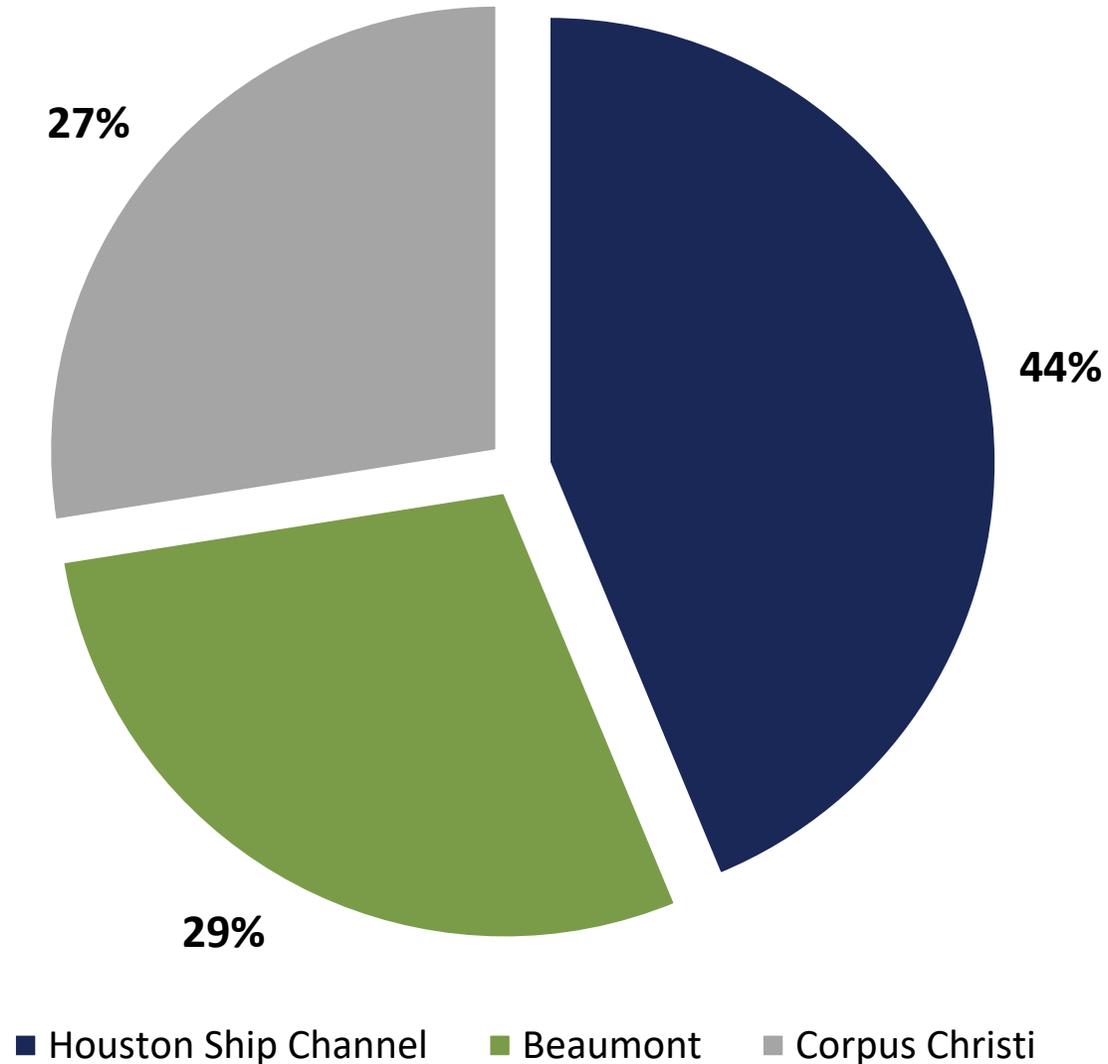


- August 2019 saw the peak of U.S.'s production at 12.4 million barrels/day
- Total global production = 100mbpd (historically)
- Demand fell to approximately 70mbpd in April
- Refining utilization fell to 68% in the U.S.

U.S. Crude Exports



Texas Gulf Coast Crude Export Breakdown



- The Permian Basin is producing **4.4 M** barrels of oil per day and funneling more crude oil to Texas' coast and the Houston Ship Channel.
- Houston exports 700,000 barrels per day
- Has fallen to almost 0 since April



COVID-19 Impact on Shipping

COVID-19 Impact on Vessel Movements

Vessel Arrivals by Port, July 2020 YTD vs. 2019 YTD

	2020 YTD	2019 YTD	Percent Change	
BROWNSVILLE	203	154	BROWNSVILLE, 31.8%	
CORPUS CHRISTI	1,317	1,163	CORPUS CHRISTI, 13.2%	
FREEPORT	660	573	FREEPORT, 15.2%	
GALVESTON	531	642	GALVESTON, -17.3%	
HOUSTON	4,644	4,846	HOUSTON, -4.2%	
PORT LAVACA	142	141	PORT LAVACA, 0.7%	
SABINE	1,477	1,760	SABINE, -16.1%	
TEXAS CITY	543	627	TEXAS CITY, -13.4%	
GRAND TOTAL	9,517	9,906	GRAND TOTAL, -3.9%	

All reports and associated data are produced by the Greater Houston Port Bureau for the sole use of the intended recipient(s) and may contain work-related product and/or proprietary information. Any unauthorized review, use, disclosure or distribution is inconsistent with the terms associated with the provision of this data and its related reports.



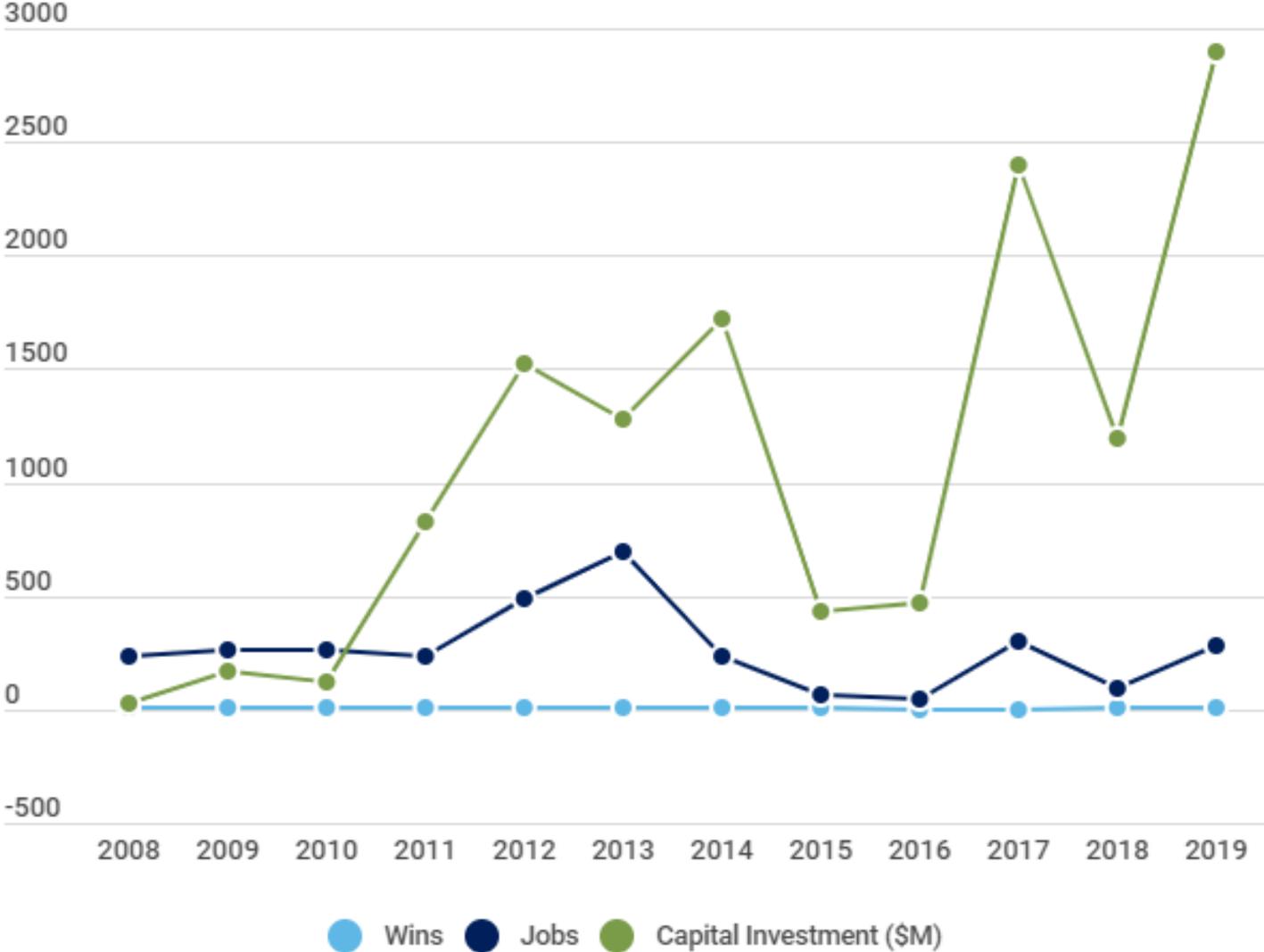
Economic Development

Professional Services

Provide a professional relationship to navigate the multiple facets of the site selection/expansion process, including access to our economic development support network.

- Conduct **real estate searches**
- Participate in and coordinate **site-selection tours**
- Facilitate **access to data**
- Provide guidance in evaluating State and Local incentive **permitting and workforce programs**
- **Advocate** for projects and **mobilize** of key members

Impact on the Houston Port Region



65 Wins since 2008

\$13 B Capital Investment

3,179 Jobs Created

Impact on the Houston Port Region

2019 Economic Development Project Wins:
\$2.9 B Capital Investment; 285 Total Jobs



2020 Economic Development Project Wins:
\$637 M Capital Investment; 430 Total Jobs

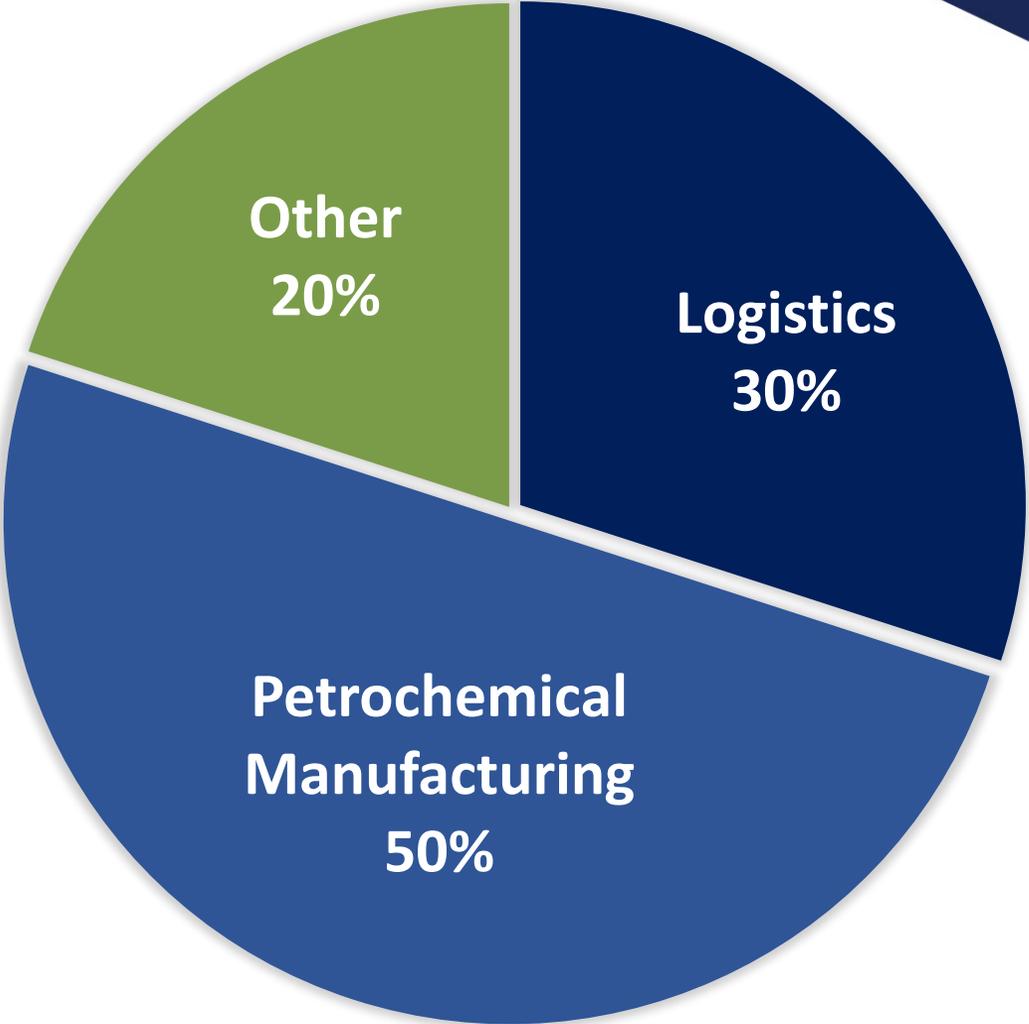


Current Project Pipeline Breakdown

TOTAL PROJECTS
40

POTENTIAL DIRECT
JOB CREATION
2,547

POTENTIAL CAPITAL
INVESTMENT
\$9.7 B



Why focus on the Petrochemical Industry?

For every one job created from the business of chemistry,
7.1 jobs are created in other sectors.

In addition, the average annual salary of a U.S. chemical industry employee in Texas is \$106,707, which is 46 percent **higher** than the average U.S. manufacturing pay.



Connecting the Region, Despite COVID-19

Facilitated 23 member-business connections in the first month of “Work safe-Stay home” order, i.e.

- Sourcing PPE for industry, port and county
- Coordinating chemical sales to create sanitizer
- Coordinating permits to bring offshore oil & gas workers into Texas
- Sourcing fleet storage space for trucks & cars
- Disseminating CARES Act PPP information
- Surveyed plant managers for safety protocols
- Sourcing crude oil storage options

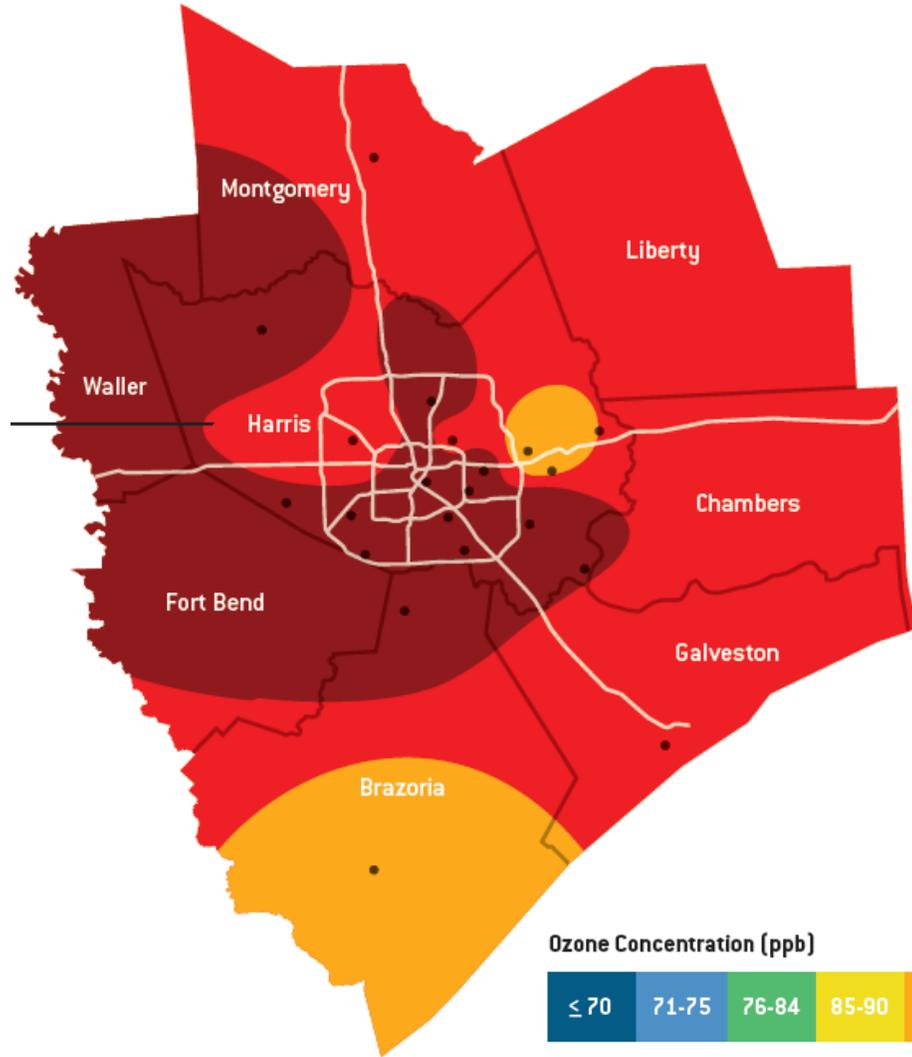
Participated in 16 Panels & Presentations to provide timely industry and port updates during the shutdown.



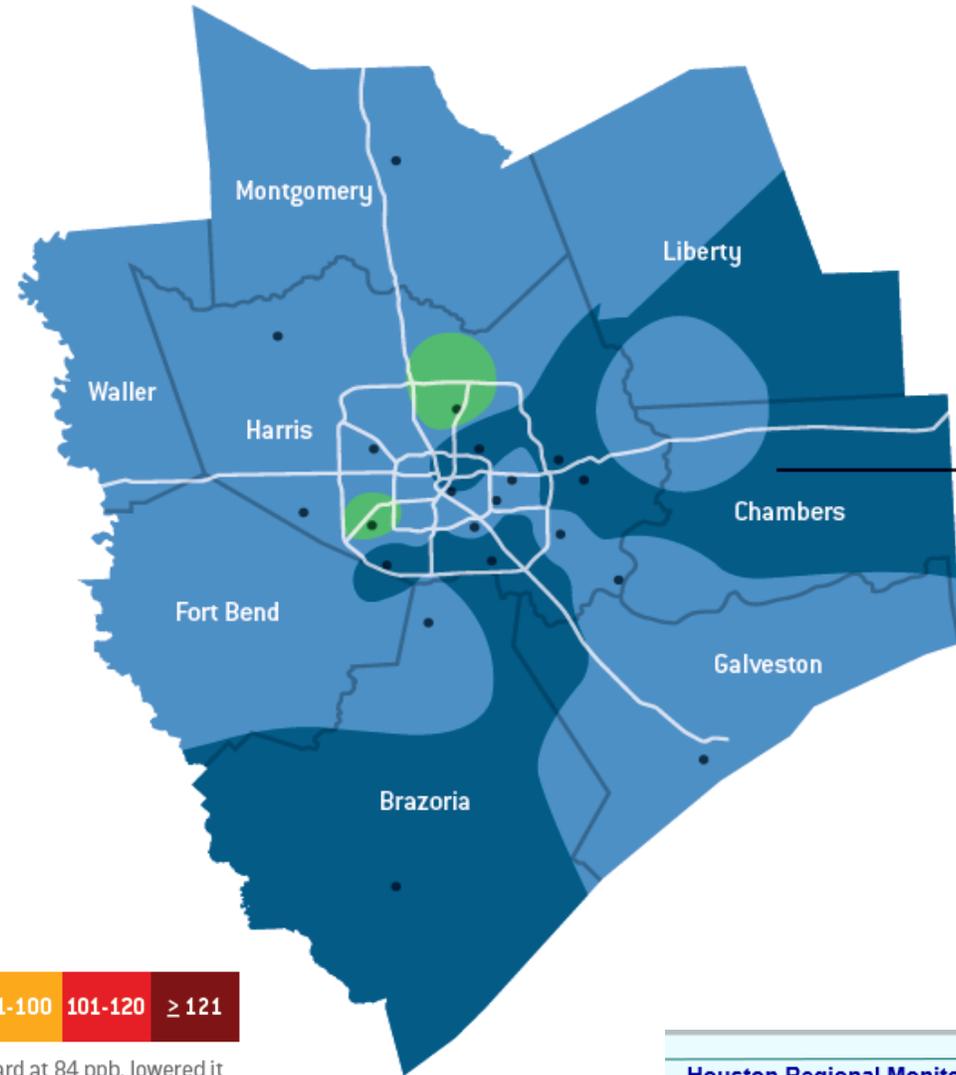
Transportation

8-Hour Ozone Design Values

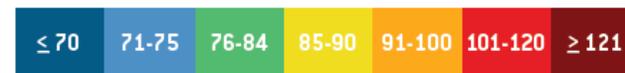
1985



2018



Ozone Concentration (ppb)



In 1997, EPA set the 8-hour ozone standard at 84 ppb, lowered it to 75 ppb in 2008, and lowered it, again, to 70 ppb in 2015.

Committee of Regional Transportation Stakeholders

- **Regional Mayors**
- **East Harris County Manufacturer's Association (130+ plants)**
- **Port Houston**
- **Harris County**
- **Texas Department of Transportation**
- **Houston Galveston Area Council**

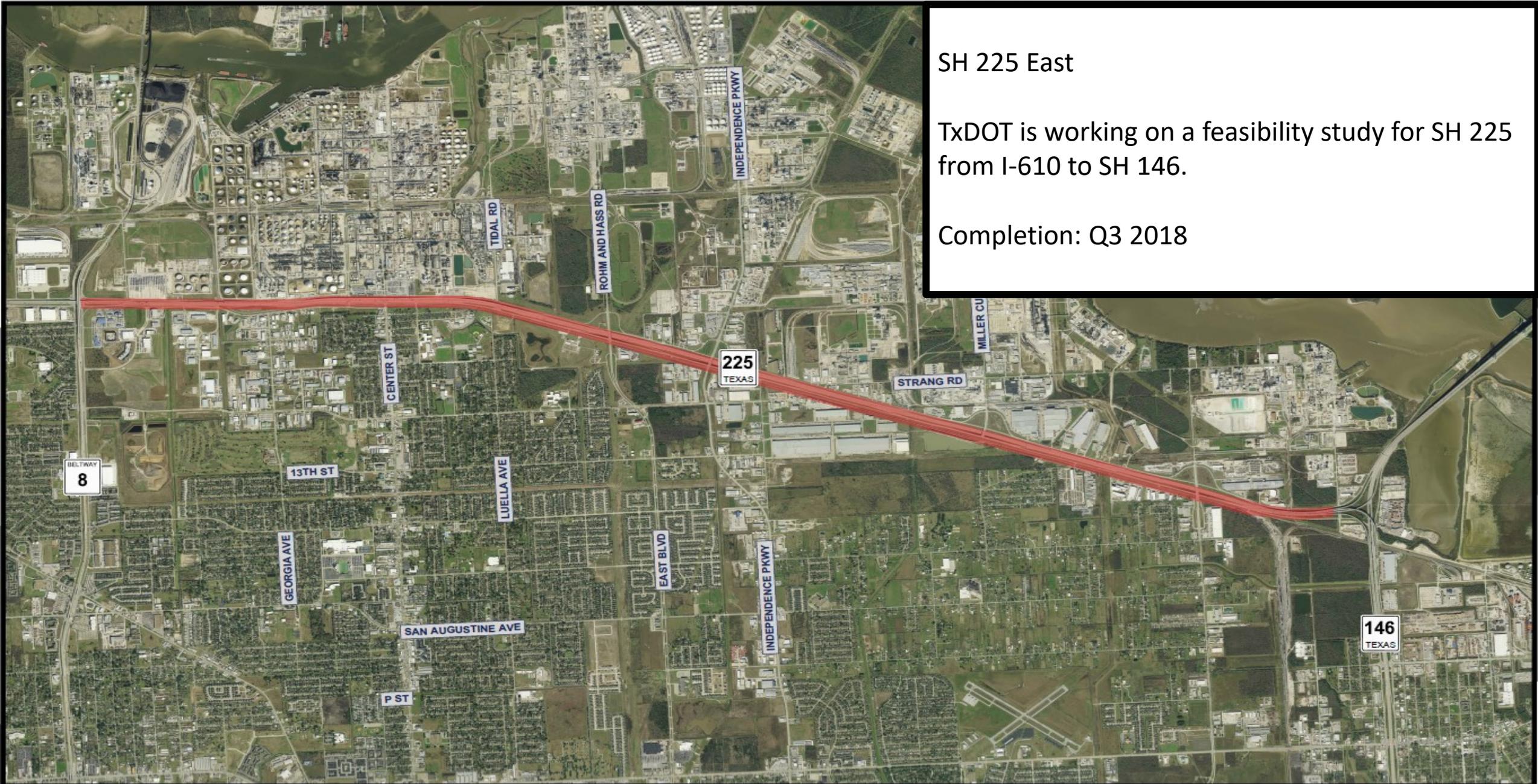
This committee addresses critical issues associated with the movement of Freight and Commuters.

Houston Port Region Freight Improvement Strategic Plan

#	Project	Priority	Info & Updates
1	Barbours Cut Connectivity to SH-146	H/S	TxDOT is working on a design for restriping Barbours Cut Blvd, will need to continue to work to identify a long term connectivity solution
2	SH-146 Widening - Fairmont to Red Bluff Road	H/S	Widen to 6 main lanes, environmentally cleared, Final design underway/anticipated to let in Fall 2022.
3	SH-225 expansion/improvement (8-East 146)	H/S	TxDOT is working on a feasibility study for SH 225 from I-610 to SH 146. completion Q3 2018
4	Broadway Double Track Project	H/S	Construction is underway, should complete in 2019
5	Grand Parkway NE Segments H & I	H/S	Design-Build Project/recently awarded. The total cost of this project is approximately \$1.4 Billion. Estimated completion date is February 2022. Construction to begin Summer 2018
6	FM-1942 from Hatcherville Road to SH-146 – road improvement	H/S	
7	Hatcherville Rd from FM-1942 to Liberty/Chambers Co.Line – road widening	H/S	No improvements are currently planned
8	FM 565 from SH-146 to SH-99 – widening and addition of turning lanes	H/S	MPOID 17113; FY 2024 Project from FM 1409 to SH 99: Reconstruct and realign roadway is anticipated to let for construction in FY 2018
9	Peninsula Road Widening and Rail Crossing Improvement	H/S	Notice To Proceed was issued 12/2018, the rail crossing improvements are already underway, Project is in construction. Widen Pensinsula road to 4 lanes (3 inbound and 1 outbound) and make improvements to up to 6 rail crossings
10	SH-99 and I-45 direct connectors for trucks heading from PH to Dallas and Dallas to PH	H/M	Identified to TxDOT in March 2018
11	BW-8 Direct Connectors @ SH-225: Westbound on 225 to 8 N, Northbound on 8 to E/W 225, Eastbound on 225 to 8S	H/M	Working with HCTRA, construction of 4 connectors is funded, applied for Federal Grant for the remaining work, environmental studies underway, No ROW needed, anticipated letting in 2021, estimate construction cost for entire interchange is \$180 Million
12	SH146 from I10 to Business 146 (Alexander Drive)		The grade separation/freeway starts at Alexander and continues all the way to Red Bluff. There probably needs to be some work on SH146 North of 110 through Mont Belvieu also
13	Penn City Connector	H/M	Need to develop a business case analysis for project
14	Barbours Cut Blvd expansion to 6 lanes	H/M	Need to develop a business case analysis for project
15	SH-225 expansion/improvement (8-West 610)	H/M	
16	I-69 Bypass (feasibility of a bypass on the East side of Houston is being considered)	H/M	Potentially starting as far South as Wharton and tying as far North as Cleveland. Potential to use SH 99 Seg. H & I. Southern Section of an I-69 Bypass is being discussed through HGAC. TxDOT is beginning an Origin-Destination Study (O-D) to determine how many trucks would use the route.
17	Fairmont Parkway (Turning improvements)	H/M	Under construction County and La Porte funded through TxDOT Grant
18	SH-225 and I-610 Interchange	H/L	TxDOT is working with H-GAC to begin a feasibility study for SH 225 from I-610 to SH 146
19	I-610 bridge at HSC	H/L	Additional meetings with the Economic Alliance are requested to identify the needs and project scope at this location
20	Fairmont Parkway (Widening)	H/L	Widening is recommended from Canada Rd to SH 146. There are at least 3 major freight generators on the south side of Fairmont in this area.
21	Port Road Phase 3 & Drainage	M/M	Design is underway, expected to let in Q4 2019
22	SH-330 (improve northbound connectivity to I-10 - 2 lanes or direct connect)	M/M	Construct Northbound to Eastbound connection. Working to secure construction funding. Anticipated environmental clearance – Summer 2018. The estimated let date is Spring 2022
23	Independence Parkway (improve Northbound connectivity to SH-225)	M/M	Dedicated turning lane. Getting those trucks in and out of Ind. Blvd. Increase turning capacity
24	Spencer Highway Bridge (Bayport Rail Mainline) at Fairmont	M/L	MPOID 10532; FY 2018
25	Bayport Mainline Rail Track	M/L	MPOID 10455; Need business case to support investment
26	Sheldon Road expansion	M/L	Project has been submitted to HGAC TIP Call for Projects.
27	Applet Road (Sheldon to Market)	M/L	
28	Jacintoport Road Improvement	L/L	Also on the Primary Highway Freight System, thereby eligible for federal freight funding
29	Jacintoport Direct Connectors	L/L	Direct Connect makes it a TxDOT/HCTRA discussion
30	Haden Rd (extension to Penn City Rd)	L/L	County roadway/POHA
	TxDOT Projects shaded		Priority Level: Time Frame Required:
	Harris County Projects		H-HIGH Priority / S-SHORT Term 0-5 yrs M-MEDIUM Priority / M-MID Term 5-10 yrs L-LOW Priority / L-LONG Term 10+ yrs

Ready to Let: 2021 or Earlier
Estimated Amount: \$180 Million

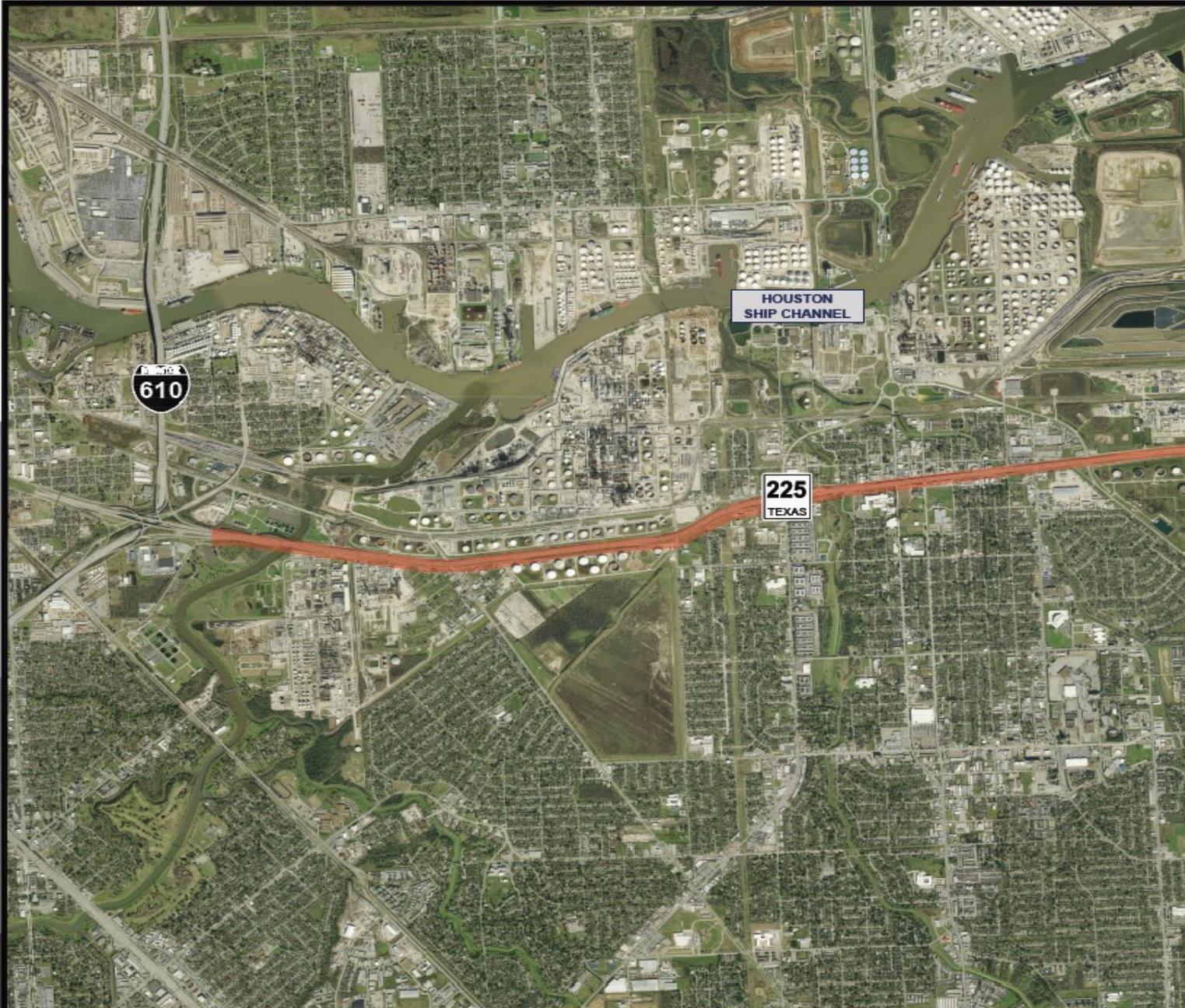




SH 225 East

TxDOT is working on a feasibility study for SH 225 from I-610 to SH 146.

Completion: Q3 2018

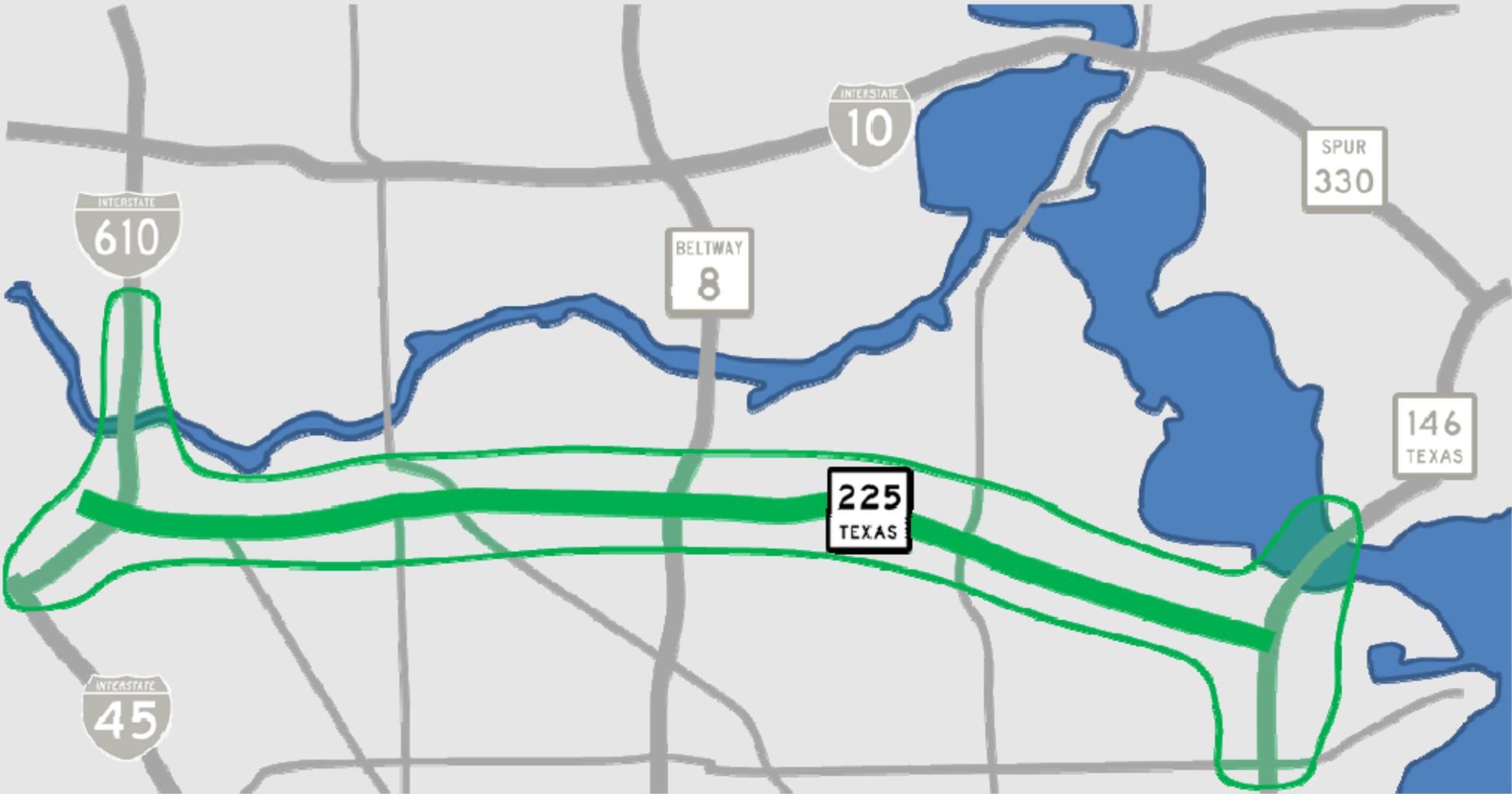


SH 225 West

TxDOT is working on a feasibility study for SH 225 from I-610 to SH 146.

Completion: Q3 2018

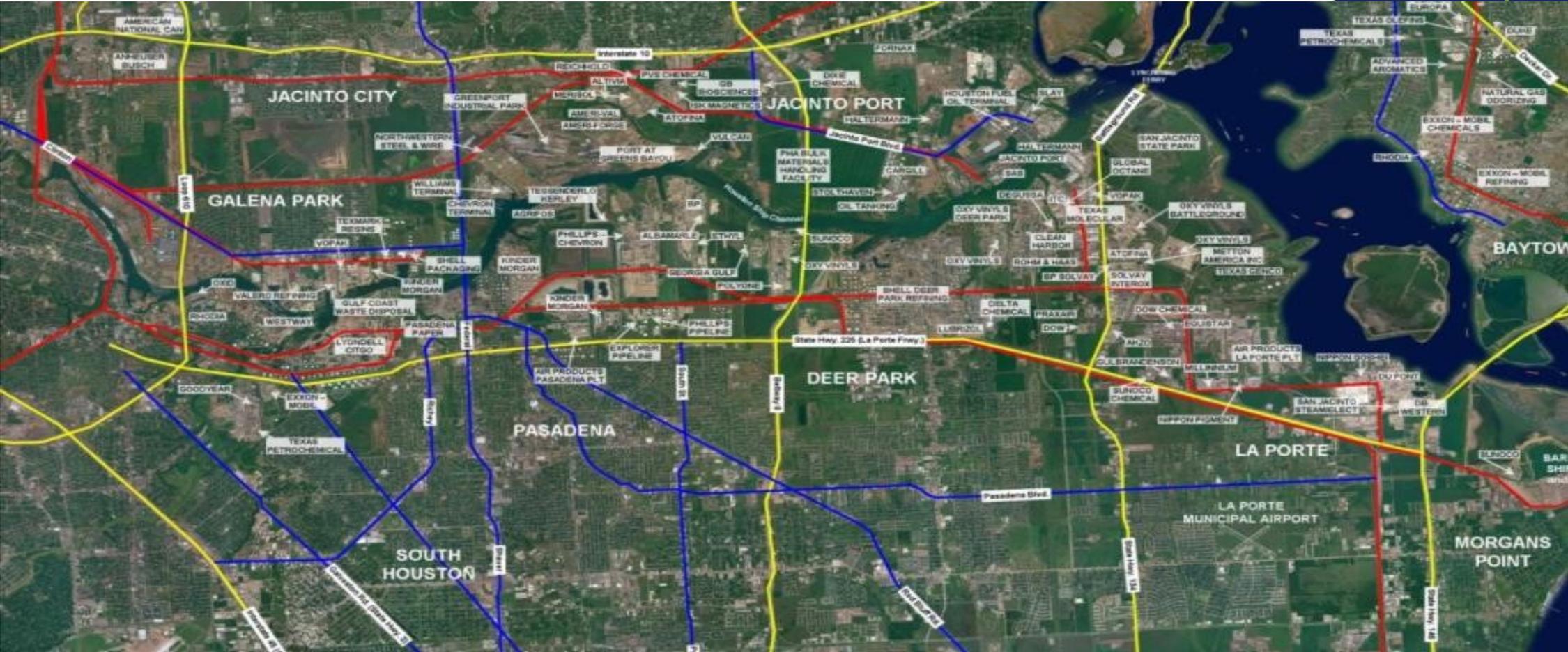
SH 225 PEL - Draft Study Area



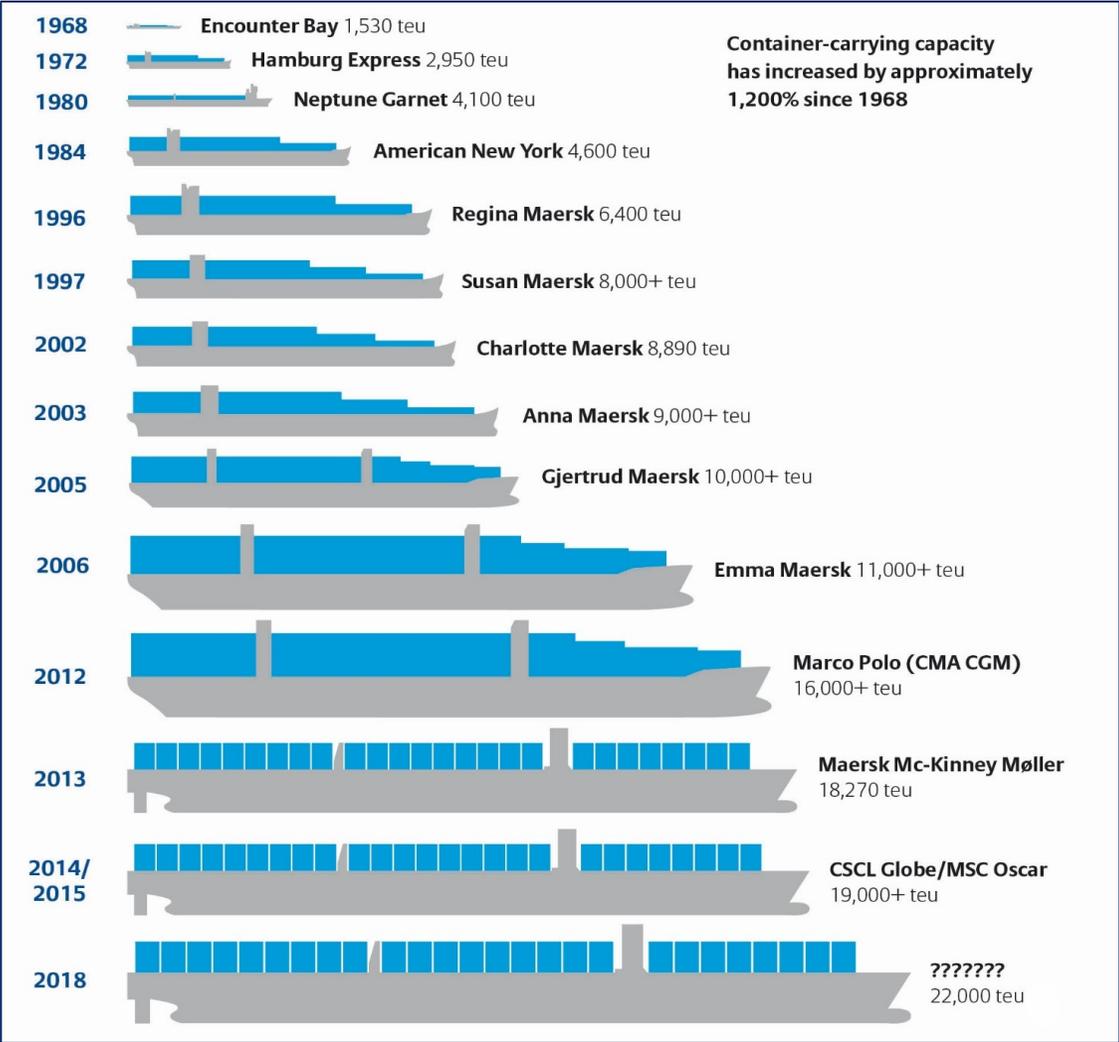


Ship Channel Infrastructure

150+ Private Terminals, over \$200B in Capital Investments on the Houston Ship Channel



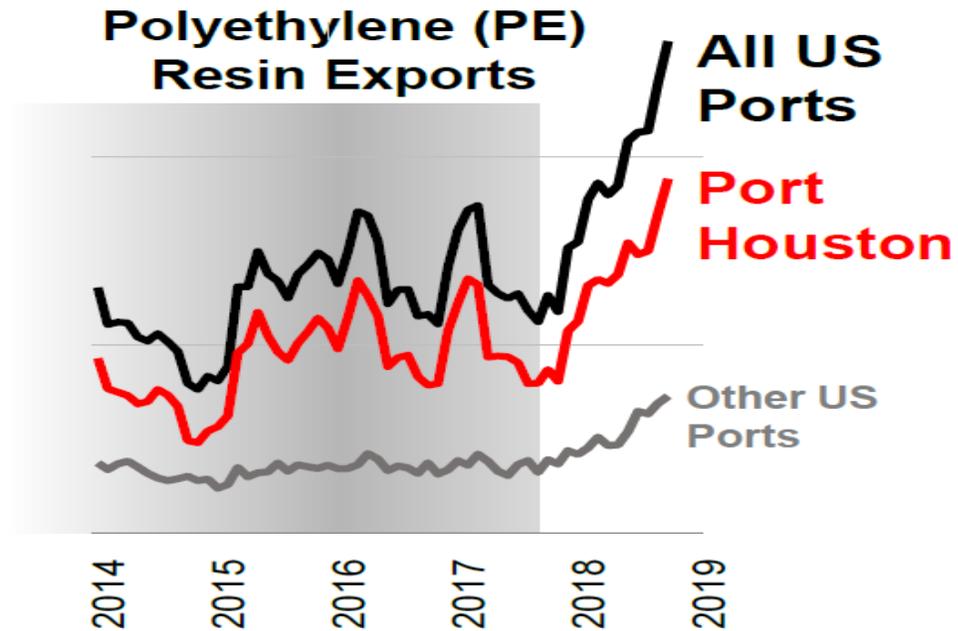
Growing Ships



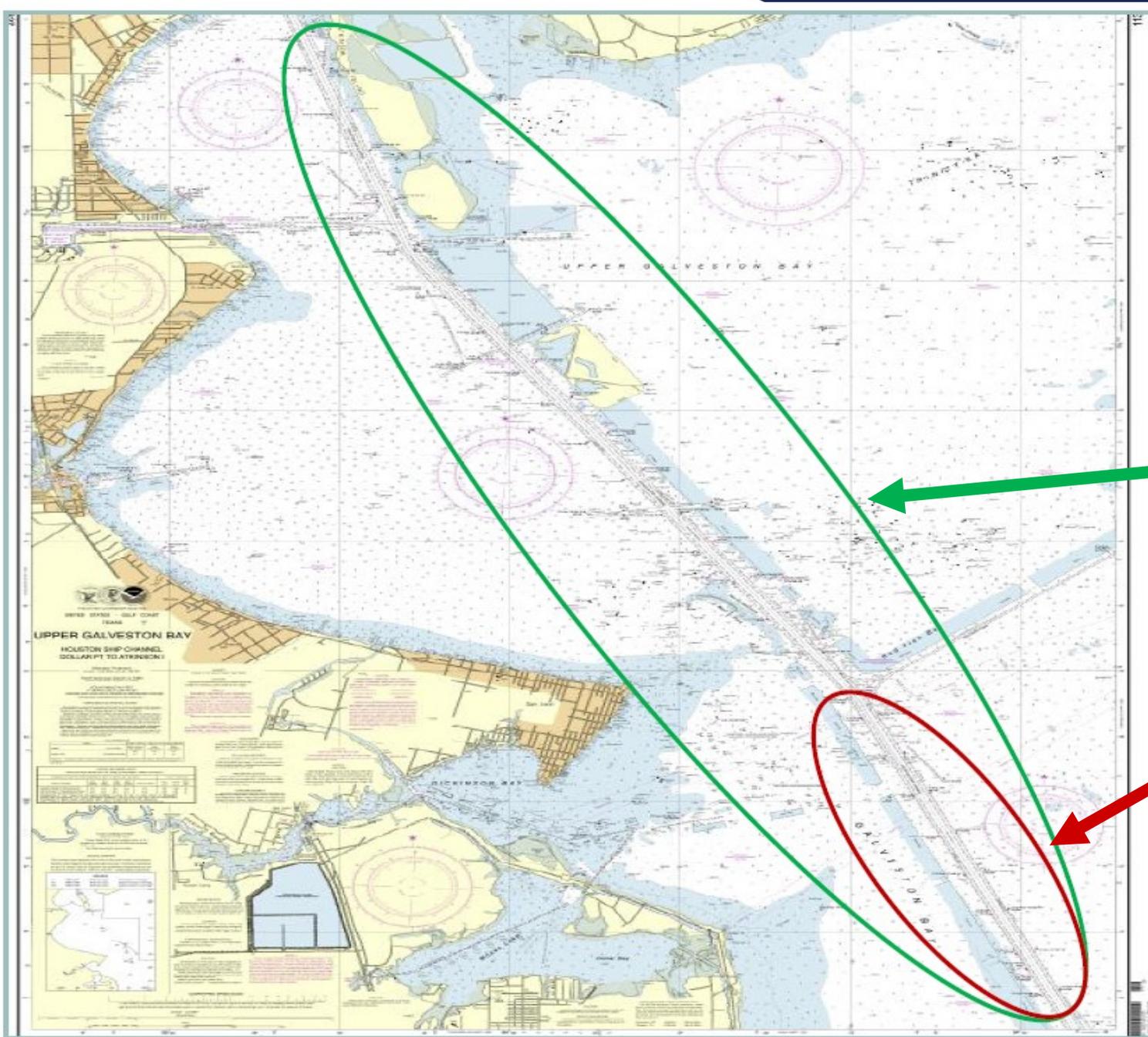
- Very Large Container Vessels can be built in a year
- HSC needs to be widened from 530 to 742 feet to accommodate the large ships coming to Houston
- Ship size continues to grow; bigger tankers, bulkers and container ships cause delays

Exports are Increasing

- LPG exports
- Increasing chemical demand – anticipated 45% growth over the next decade
- Continuing manufacturing investments
- Increasing resin exports







**Scope of Contemplated
Locally Preferred Plan**

**Original Army Corps.
Proposal**



Workforce Development

Dream It. Do It. Southeast Texas

Inspiring and Preparing the Next Generation

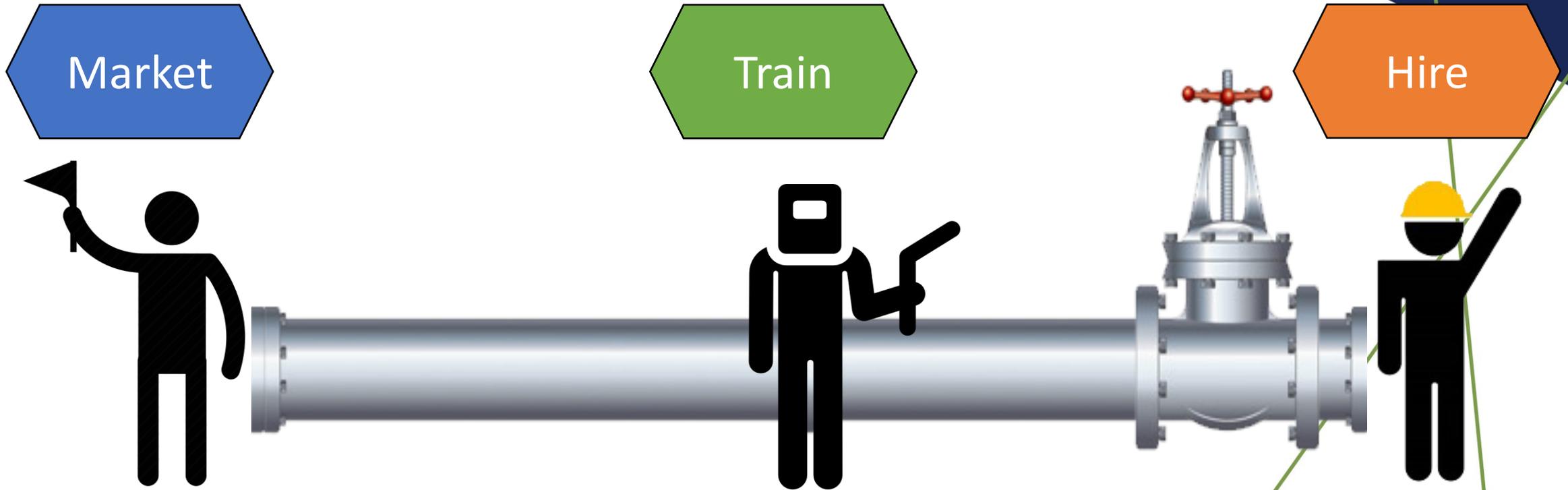
Filing the pipeline of potential workers in the petrochemical, maritime and logistics industries.

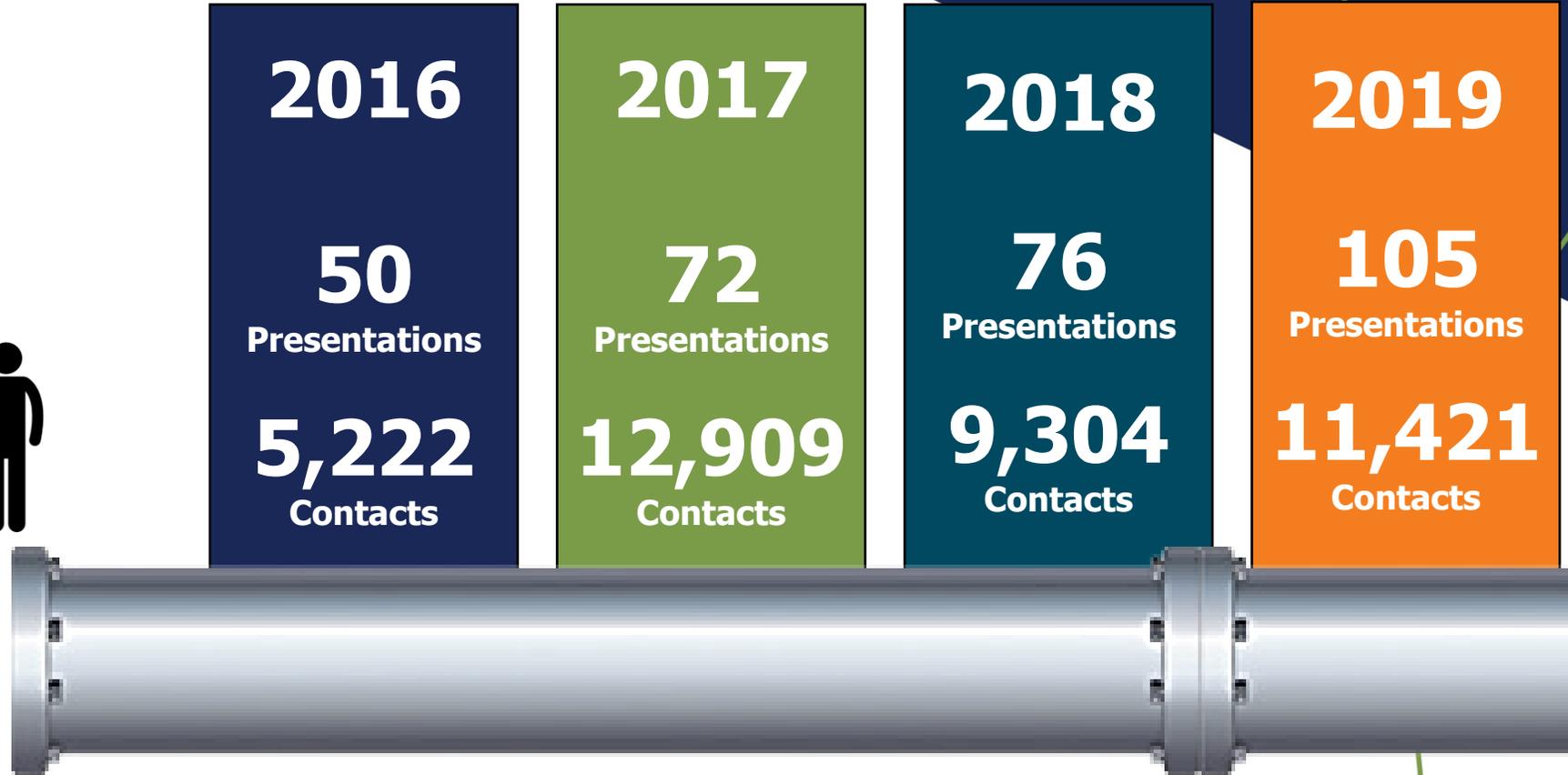
-  Leveraging **partnerships** with the EHCMA and 9 community colleges to **recruit and train a qualified workforce**
-  Providing **career paths and job opportunities** to address **attrition, skill enhancement and demand**
-  Targeting high-demand, high-paying careers supporting the petrochemical and maritime industries
-  **2019 Texas Economic Development Council's Workforce Excellence Award >250,000 population**



Talent Pipeline

Our mission is to fill the pipeline of potential workers in the petrochemical, manufacturing, maritime and logistics industries, while leveraging partnerships with the East Harris County Manufacturers Association and 9 community colleges to recruit a qualified workforce.





In March schools closed and we went virtual

The screenshot shows a YouTube video player interface. At the top, there is a search bar and navigation icons. The video content features a logo for "SOUTHEAST TEXAS dream it. DO IT.™" on the left, and a background image of an industrial facility at night with blue shipping containers in the foreground. A small video inset in the top right corner shows a woman speaking. The YouTube player controls at the bottom include a progress bar at 0:51 / 11:31, a title "2020 Careers with PetrochemWorks", and an "Up next" section with an "AUTOPLAY" toggle.



Public Policy

Public Policy

2019 – State Policy

24 Economic Alliance Members participated in 31 meetings in Austin, TX.

2019 – Federal Policy

31 Economic Alliance Members participated in 35 meetings in Washington D.C.

Federal White Paper Considerations

Port Infrastructure – Widening Project

Workforce Investment

EXIM Bank Reauthorization

Storm Surge Protection

State White Paper Considerations

Chapter 312 – **Reauthorized**

Coastal Spine Taxing Authority – **Passed**

Workforce HB2214 – Deployment to Employment – **Passed**

Texas Emissions Reduction Plan – **Passed**

Expedited Permitting – **Passed**





Leading the Conversation in Industry

Informing the Nation

September 17, 2020

11th Annual Conference of National Industry Leaders

The Gulf Coast Industry Forum brings together industry leaders focused on petrochemicals, energy and logistics.

Networking and Connections

- 1000+ Attendees
- 40 Exhibiting Companies and Institutions

Industry and Market Insight

- Global Chemicals Outlook
- Plant Managers Panel
- Midstream Oil & Gas Report
- Regulations and Policy Update
- Port Houston Update
- CEO Outlook



Gulf Coast Industry Forum

AN ECONOMIC ALLIANCE HOUSTON PORT REGION EVENT





Thank you!

www.allianceportregion.com

Presented By:
Chad Burke
President/CEO

Economic Alliance Houston Port Region
chad@allianceportregion.com