



## Port E-News

Public Relations Department  
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### **Port Director's Report March 2004 Meeting Board of Trustees of the Port of Galveston**

#### **Year-to-Date Financial Results**

February financials show a *net income* of \$180,947, which represents an increase over the net profit for the previous month of \$91,156 and a substantial increase from January 2003 when the port experienced a net loss of (\$91,094).

If these net financial results were combined with the revenues generated from port operations that are accrued to the Galveston Port Facilities Corporation (GPFC) to pay for cruise terminal improvements, the combined *net income* from February 2004 operations would have been \$204,107 compared to a *net income* of \$114,220 for last month.

*Operating revenue* for the month of February 2004, *not* including Cruise Terminal-related revenue accruing to the GPFC, was \$1,229,019, up 5.61% from January 2004 and up 40.16% from February 2003.

February revenues were greater than budgeted-revenues due to growing grain exports, increased revenues from cruise parking, and additional port areas leased for cotton storage. Revenues from wharfage charges were on budget.

#### **Year-to-Date Cargo Results**

Total cargo for February 2004 was 429,740 short tons, slightly less than last month when cargo totaled 449,221 short tons and 136.7% more than the month of February 2003. Total cargo year-to-date ending February 2004 was 878,961 short tons, which is 170.7% more than the 324,709 short tons moved through the Port over the first two months of last year.

#### **Year-to-Date Cruise Results**

The passenger count for February 2004 was 33,881 disembarking and 33,869 embarking passengers (67,750 revenue passengers). This represents on slight increase of .15% over January 2004 and an increase of 49% over February 2003 when 22,675 passengers disembarked and 22,793 embarked on cruise ships at Galveston's cruise terminals.

### **Additional Reports**

**Foreign-Trade Zone (FTZ) No. 36 Status:** The application for the expansion of FTZ No. 36 has been submitted to the Foreign-Trade Zones Board in Washington, D.C. for review and approval of the Board.

**Demolition of Elevator B:** Cleanup work continues from the demolition of Grain Elevator B by JTB Services. Completion of the project including the site clean-up was anticipated for the end of March 2004 but will not occur until mid-April.

**Demolition of Pier 35:** The demolition of the Pier 35 warehouse began in the last week of February. It is expected to be completed by the end of April 2004. The concrete rubble will be combined with the rubble from Elevator B, crushed and used by the Port at other sites.

**West End Gate and Security Improvements:** This project is being funded by grants from the Federal Government. The site has been graded, rail crossing-improvements installed, concrete roadway poured and the gate installed. The project deadline was extended and is scheduled to be completed by the end of April, 2004.

### **Miscellaneous Items of Interest**

**Texas Transportation Commission:** The Port Director, Steven M. Cernak, was appointed by the Texas Transportation Commission on February 26, 2004 as a member of the Port Authority Advisory Committee (PAAC). The PAAC provides a forum for the exchange of information between the Texas Transportation Commission, the Texas Department of Transportation, the port industry in Texas and others who have interest in ports. The appointment is effective until February 26, 2006.

**Financial Reporting Achievement Award:** The Board of Trustees of the Galveston Wharves received a Financial Reporting Achievement Award from the Government Finance Officers Association of the United States and Canada for the Wharves' Comprehensive Annual Financial Report covering the fiscal year ending December 31, 2002. Director of Finance, R. Wayne Byrd, and the Accounting Staff were recognized for their achievements.

### **Board of Trustees Agenda Items**

- The Board of Trustees authorized Port staff to enter into agreements with the Texas Department of Transportation and the Federal Highway Administration as a result of notification that the Port of Galveston was awarded \$400,000 under a 50/50 match program. The funds will be used to implement an Intelligent Transportation System project as outlined in the FY2004 Supplemental Appropriations Bill for port security and intermodal transportation improvements which could include dynamic message board signs for cruise and/or port traffic directions or intelligent identification systems to track traffic into and out of the Port of Galveston. The request for the grant funds was submitted by Senator Kay Bailey Hutchison's office in Washington D.C.
- The Board of Trustees approved a proposed settlement agreement with Galveston Waterfront Ventures, operators of the Dolphin parking lots on Harborside Drive.

- The Board of Trustees adopted a Privacy Policy for use in the Port's Paid Parking-in-Advance Program on the Port's website to provide enhanced cruise passenger options and aid in smoothing traffic flow at port-operated cruise parking lots.
- The Board of Trustees approved an amendment to the original lease agreement with the Galveston Historical Foundation, in effect since March 1, 1989. The purpose of the amendment was to clarify existing lease terms.
- The Board of Trustees authorized staff to seek bids for the demolition of Plant 3 to allow for the construction of a road that will tie into existing Port roadways and better accommodate larger, oversized trucks and cargo using the west end of the Port.
- The Board of Trustees authorized the expenditure of \$30,000 for the remediation of leaking petroleum storage tanks. Previously, the Port of Galveston removed ten underground petroleum storage tanks under the Texas Risk Reduction Program Rule of the Texas Commission On Environmental Quality (TCEQ). Two of the ten tanks were identified as Leaking Petroleum Storage Tank sites by the TCEQ.
- The Board of Trustees approved a second amendment of the contract with J.W. Kelso Construction, Inc. to add additional items to the West End Mitigation Project including perimeter lighting along the western boundary of the Port and in the entrance roadway. The project is being funded through Federal security grant funds awarded in August 2002 for security improvements on the west end of the Port of Galveston.
- The Board of Trustees authorized Port staff to award a contract for professional engineering services to support the development of a roll-on, roll-off terminal at Pier 34. The services would include an analysis of the existing bulkhead, wharf and uplands for anticipated loads at the new facility and to assist in the bid phase with prospective contractors for the site improvement.
- The Board of Trustees instructed Port staff to prepare a request for proposals for the development of the Pier 19/20 area in the event that MBP Corporation did not exercise their option by 5:00 p.m. on March 29, 2004 to develop Pier 19/20.
- The Board of Trustees approved the assignment of the lease for the grain elevator at Pier 32 from Farmland Industries to Archer Daniel Midland (ADM), including the assumption by ADM of obligations under the Lease and the Supplemental Guaranty securing payment of the Farmland Bonds, and authorizing the Port Director and other officers of the Board to execute all documents necessary to accomplish the assignment and assumption of the agreements.

### **Next Meeting**

The next regular meeting of the Board of Trustees of the Galveston Wharves is scheduled for Monday, April 26, 2004 at the main offices of the Port of Galveston located at 123 Rosenberg, 8<sup>th</sup> floor.

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