



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

Fiscal Years 2023-2027

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

ECONOMIC DEVELOPMENT

Statewide 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. Wage and salary disbursements (total earnings)

EDUCATION

Statewide Goal #2.1: To make available a quality K-12 education for all Mississippians that prepares them, upon high school graduation, to either enter the labor force with an employable skill or to successfully complete a higher education program

Relevant Benchmarks #2.1:

1. Percentage of high school students enrolled in career and technical education programs sponsored by the Port of Gulfport who earn an approved Industry Certification, by career pathway
2. Public high school completion rate, by student cohort through Port-contributed work-based learning experiences
3. Percentage of public schools implementing the Port-developed K-12 curriculum, which is based on Mississippi State Education Standards and focuses on port terms
4. Partner with 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

Statewide Goal #2.2: 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 #2.2:

1. Wage gains of Port-sponsored workforce development programs
2. Percentage of students trained through Port-sponsored workforce education and training programs customized to meet the needs of Port tenants and of local industries, who successfully complete the program

PUBLIC SAFETY AND ORDER

Statewide 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. Average emergency response time to natural and man-made disasters on the Port site
2. Average time for the Port and businesses located on the Port site to recover following a natural or man-made disaster

NATURAL RESOURCES

Statewide 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. Maintain quality of water in and around the Port to ensure it meets or exceeds State Water Quality Standards
2. Maintain air quality in and round the Port to ensure it meets or exceeds National Ambient Air Quality standards
3. Acreage and economic value of land purchased by the Port during the year
4. Number of electric ship-to-shore gantry cranes as opposed to the number of diesel cranes

INFRASTRUCTURE

Statewide 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. Port utilization, capacity and connectivity
2. Number of tenants utilizing the Port's facilities

3. Percentage of increased capacity
4. Number of Mississippi companies that are directly associated with the Port
5. Roadway condition

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 on average an excess of 600 vessels, as well as more than 2 million tons of cargo and over 200,000 TEUs. The strategic location of the Port allows customers to distribute products to 75 percent 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 400,000 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 to open ocean waters.

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 17 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 hours for the International Longshoreman Association Local #1303.

Following Hurricane Katrina in 2005, 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.

A main priority of the PGRP was to provide the opportunity for local contractors to employ area workers reflective of the community surrounding the Port. Through extensive outreach, training, and technical assistance, the Port's team made these requirements a priority. The project not only met, but doubled the minimum Section 3 goals for contracting and new hires which in turn attracted new industries to the Port and encouraged economic development. In June 2019, the U.S. Department of Housing and Urban Development (HUD) conducted a monitoring review of the PGRP and as a result of the review, HUD confirmed that approximately 1,500 jobs were created by the Port or tenants of the Port.

In addition to creating jobs, the Restoration Project has doubled the size of the Port's footprint, which is now roughly twice the size it was when Hurricane Katrina struck the Port's facilities in 2005, encompassing nearly 300 acres. Unrelated to PGRP efforts, the Port has also invested in properties outside of the main seafront location, such as the purchase of the Inland Port Facility located off of Seaway Rd. in Gulfport and additional properties in Gulfport that will further allow for diversification of business revenue.

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

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 new Port Infrastructure Development Program. This funding is designed to improve port facilities at or near coastal seaports. As a grant recipient, the funds will be used for the construction of a Port of Gulfport Access Project. The proposed project is located just north of the Port's western entrance. The Port of Gulfport is strategically located along the Mississippi Gulf Coast and is in a Qualified Opportunity Zones (QOZ).

The Port of Gulfport Access Project proposes to improve the roadway infrastructure that feeds into the Port in order to develop the 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. The project elements include: a 160-foot grade-separated bridge over U.S. Highway 90, pavement strengthening along 30th Avenue, replacing existing span wire signals with mast arms, access management improvements, and implementing Intelligent Transportation Systems (ITS). As of July 2021, this project is moving forward and is expected to move to the design phase in the coming months. Once the design process is complete, construction of the proposed bridge and road development is expected to last two years.

In addition to the Access Project, the Port will be working with the Gulf Regional Planning Commission (GRPC) to conduct a Port of Gulfport Traffic Mitigation and Congestion Study. The study is 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 and going from the Port. The study is estimated to take 3-6 months and is expected to begin in September 2021. 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 the 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 will be 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 expected to be complete in April 2022.

The Port of Gulfport is also working with the Mississippi Defense Initiative (MDI), housed at the University of Southern Mississippi's Trent Lott National Center, on an 18-month grant that will assist in developing strategic plans for defense economies on the Mississippi Coast through the Jackson County Economic Development Foundation and the Port of Gulfport. The total budget for the 18-months is \$360,000 and a non-Federal share of \$36,000 provided by the Port. The grant is a Department of Defense Office of Economic Adjustment (DOD OEA) award, and it will be used by MDI to implement Phase 3 of MDI's mission to promote and diversify the state's defense economy through three main industry sectors: blue economy, aerospace, and national security.

As part of Phase 3 under the DOD grant, the Port of Gulfport will develop a Strategic Port Plan to align with the State Defense Plan related to dual-use defense and nondefense use of the Port. The plan will also focus on continued growth of civilian and commercial traffic at the Port while keeping in mind the work being done in downtown Gulfport to support the infrastructure and transportation system connected to port operations. The Port will also co-host a Strategic Port Summit on September 2, 2021 in conjunction with the annual Oceans in Action Workshop hosted by the Mississippi Enterprise for Technology at Stennis Space Center that will showcase the advantages, capabilities and economic benefits of using the Port of Gulfport in its role as one of 17 strategic seaports in the nation and highlight emerging technologies within the maritime and port security industry.

As the Port's business portfolio continues to grow, it is necessary to evaluate 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 (EIS), 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 goal of a deeper navigational channel is still part of the broader strategic plan to create a more competitive port. The U.S. Army Corps of Engineers oversees the maintenance dredging and is typically funded fully by the federal government. Currently, the channel is dredged to its full operational depth of 36 feet.

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.

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 present 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. 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. In September 2018, the Port 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.

6. AGENCY GOALS, OBJECTIVES, STRATEGIES AND MEASURES BY PROGRAM for FY 2022–FY 2027:

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 to benefit overall Port operations.

Objective B.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)

B.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 FEUs, 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

GOAL C: Increase the public’s awareness of the Port of Gulfport’s operations, commitment to creating 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, business development announcement and job creation efforts.

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

Outcome: Increased public support and understanding of the Port’s efforts

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

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.