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Port of Corpus Christi has big plans for Harbor Island in Port Aransas

Tim Acosta, Corpus Christi Caller-Times Published 3:18 p.m. CT April 13, 2018 | Updated 9:45 a.m. CT April 16, 2018



(Photo: File photo)

The Port of Corpus Christi has big plans for Harbor Island.

Already the nation's number one exporter of crude oil, port officials are working to further that dominance with grand plans for 250 acres of land on Harbor Island. Port of Corpus Christi CEO Sean Strawbridge said the port is looking at the possibility of developing a facility capable of fully loading very large crude carriers (VLCC).

This could put the Port of Corpus Christi in a position to help the United States better compete globally in the crude oil market, as more VLCCs have begun making their way through the now-deeper Panama Canal from Asia and other markets.

"This, for us, will go from a diamond in the rough to being what we believe is one of our crown jewels," Strawbridge said of the Harbor Island property. "And that's because of its size — it's about 250 acres — it's proximity to deep water and its ability to handle the very large crude carriers."

More: [Massive tanker's arrival in South Texas makes history \(/story/news/special-reports/building-our-future/growth/2017/05/26/massive-tankers-arrival-south-texas-makes-history/102010600/\)](/story/news/special-reports/building-our-future/growth/2017/05/26/massive-tankers-arrival-south-texas-makes-history/102010600/)

The proposal is in the very early stages of consideration, with port commissioners on Tuesday set to discuss whether or not to move forward with a feasibility study that will determine the project's viability. They will also consider whether to hire a design firm to draw up plans for the proposed facility, should commissioners opt to move forward with examining it further.

Harbor Island is located along the northeast perimeter of Corpus Christi Bay, and is within the city limits of Aransas Pass and Port Aransas.

The port is already in the midst of work to deepen and widen the Corpus Christi Ship Channel, a massive \$327 million undertaking being done in conjunction with the U.S. Army Corps of Engineers. The federal government is expected to cover about \$225 million of that amount, with the port fronting the rest to get it started, though dredging has not yet begun.



The largest tanker to dock in a Gulf of Mexico port travels through the Port of Corpus Christi shipping channel in Port Aransas on Friday, May 26, 2017. (Courtney Sacco/Corpus Christi Caller-Times via AP) (Photo: Courtney Sacco/Caller-Times, AP)

The channel project would deepen the channel to 54 feet in some areas, and is designed to accommodate larger vessels, That in turn would allow for more goods to move in and out of the channel while also saving companies money in shipping costs. Once completed, the Port of Corpus Christi would be the first Texas port to have a channel with a depth of over 50 feet.

More: [Port of Corpus Christi to issue new debt for ship channel expansion \(/story/news/local/2018/03/20/port-corpus-christi-issue-new-debt-ship-channel-expansion/442139002/\)](/story/news/local/2018/03/20/port-corpus-christi-issue-new-debt-ship-channel-expansion/442139002/)

More: [Port of Corpus Christi finalizes milestone agreement for ship channel expansion \(/story/news/2017/10/20/port-corpus-christi-finalizes-milestone-agreement-ship-channel-expansion/784891001/\)](/story/news/2017/10/20/port-corpus-christi-finalizes-milestone-agreement-ship-channel-expansion/784891001/)

More: [Massive crude payload loaded at Port of Corpus Christi \(/story/news/2018/04/06/massive-crude-payload-loaded-port-corpus-christi/493073002/\)](/story/news/2018/04/06/massive-crude-payload-loaded-port-corpus-christi/493073002/)

But the Harbor Island proposal is an entirely different project, and would be entirely funded by the port at an estimated cost of about \$250 million. It would entail deepening the channel from Harbor Island to the La Quinta junction to a depth of 75 feet, Strawbridge said.

As a result, companies like Occidental Petroleum, Flint Hills Resources and Buckeye Partners L.P. could benefit from the ability to service VLCCs, he said.

According to an article in [Hellenic Shipping News \(https://www.hellenicshippingnews.com/corpus-christi-port-starts-study-for-vlcc-loading-facility-on-usgc-island-ceo/\)](https://www.hellenicshippingnews.com/corpus-christi-port-starts-study-for-vlcc-loading-facility-on-usgc-island-ceo/), the only other U.S. port capable of fully loading a VLCC is the Louisiana Offshore Oil Port.

"Today, to fully load a VLCC, you have to load it as much as you can here and then you have to take it offshore into deeper water, and you have to ferry out the rest of the barrels to fully (load) it," Strawbridge said. "Well, that's an additional cost. So, not only are you reducing that additional cost, by loading it at one terminal at one time, you're eliminating that cost and you're reducing that transportation cost on a per barrel basis."



Spectators watch as the largest tanker to dock in a Gulf of Mexico port approaches the Port of Corpus Christi shipping channel in Port Aransas on Friday, May 26, 2017. (Photo: Courtney Sacco/Caller-Times)

Harbor Island has seen industrial use in the past, and was formerly a terminal site for Exxon decades ago. But those assets were later removed and the site cleaned up. The port came into possession of the 250 acres of land in 1996, as part of a land swap with Flint Hills Resources.

Martin Midstream proposed a condensate splitter facility on Harbor Island several years ago, but residents in Port Aransas voiced opposition to the project and a lawsuit was later filed challenging the bidding process for the sale of the land. The project and purchase were later cancelled.

The port's Harbor Island project would not involve any refining, but would act as a storage terminal for crude oil to be loaded onto VLCCs. That oil would be supplied to the storage tanks via pipeline, Strawbridge said. If the port opts to move forward with the project, it would have to go through a federal permitting process, though the idea is to try and have it completed by 2020 or 2021.

More: [Push for port funding is a waiting game where the prize is growth \(/story/news/2018/03/23/push-port-funding-waiting-game-where-prize-growth/443461002/\)](https://www.callertimes.com/story/news/2018/03/23/push-port-funding-waiting-game-where-prize-growth/443461002/)

Strawbridge said the port would look to use low-profile tanks that will be "aesthetically pleasing, so it's not just this big white wall of tankage." Officials would also work with the community to address any concerns about the project, he said.

"We certainly are sensitive to the community out there," Strawbridge said. "As part of that, when we went through the exercise of exploring selling (of the land) to Martin, we listened to them (residents) and we said, 'OK, we're not going to allow any processing or refining out there,' but terminals will continue to be allowable."

"This is going to be the pride of the Coastal Bend and certainly the pride of Port Aransas," he said.

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