

# Port of Corpus Christi approves \$217M in bonds for ship channel, capital needs

**Tim Acosta**, Corpus Christi Caller Times Published 11:32 a.m. CT June 19, 2018 | Updated 6:01 p.m. CT June 19, 2018



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(Photo: Tim Acosta/Caller-Times)

For the Port of Corpus Christi, expanding its ship channel will be the project that positions the port and the United States as global leaders in energy exports.

Port commissioners on Tuesday made a decision highlighting just how important that is.

The commission voted unanimously to approve \$217 million in bonds that would help pay for work to expand the Corpus Christi Ship Channel, as well as other capital needs for operations at the port. At least \$102 million of the total issued bonds will be set aside for the ship channel project, according to port documents, while an unspecified amount from the remainder could be allocated for that work as well.

"I'm excited for the port, our history and for the future with this project," port commission chairman Charlie Zahn said. "I'm believing in my own mind that we're about to get the whole thing done."

Port officials have made a priority of completing the multi-phase ship channel expansion, which will widen and deepen the channel to accommodate larger vessels and a greater variety of goods. As the nation's leading crude exporter, the Port of Corpus Christi has pressure to get the channel deepened and widened to handle the growing influx of crude coming from the Permian Basin.

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

**More:** [Port commissioners concerned about timeline for ship channel expansion \(./story/news/2018/01/08/port-commissioners-concerned-timeline-ship-channel-expansion/1013436001/\)](https://www.caller-times.com/story/news/2018/01/08/port-commissioners-concerned-timeline-ship-channel-expansion/1013436001/)

The port is planning to deepen its channel to 54 feet, which would allow for the full loading of Suezmax vessels capable of transporting 1 million gallons of crude oil in the channel. Currently, to fully load those types of vessels — or the bigger Very Large Crude Carriers, which can hold 2 million gallons of crude — they must be partially loaded in the port and then the rest ferried out to the vessel in the Gulf of Mexico.

There are also goals of increasing exports of liquefied natural gas coming from the Permian and Eagle Ford Shale. But if the Corpus Christi Ship Channel is not expanded to handle the ever-growing demand, it could create a bottleneck that would hamper the United States' ability to become a bigger player in the global energy market.

The port is hoping to have the ship channel project completed by 2021, the same year work on the taller Harbor Bridge replacement is set for completion.

"The time frame that our customers are advocating is by the end of 2021," said port CEO Sean Strawbridge. "The reason for that is there is significant pipeline investments that are going in — billions of dollars in pipelines — from the Permian Basin to Corpus (Christi)."

There's been a swell of support that has created a large momentum boost for the Port of Corpus Christi's ship channel project. Port leaders have been persistent in lobbying with state and federal leaders about the importance of the expansion, and it has begun paying off in recent months.

President Donald Trump earlier this year recommended that the port receive \$13 million toward the project, a request that must still be approved by Congress through its budget appropriations process. While it was less than the \$60 million the port requested, it was the first time that a sitting U.S. president had included the ship channel project in a proposed budget.

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**Vessel traffic in and out of the Port of Corpus Christi will continue to climb, even if port officials are unsuccessful at widening and deepening its channel, according to a [waterway study released Tuesday](#). (Photo: *Callier-Times archive*)**

U.S. senators Ted Cruz and John Cornyn have also lobbied for the project in recent months, and even Trump's Secretary of Energy Rick Perry has openly promoted the importance of the channel expansion to the nation's competitiveness in global markets and to offset its trade deficit. Port officials have also tried to get the schedule for the project compressed, so that it finishes in 2021 as scheduled.

**More:** [Gov. Greg Abbott joins growing calls for funding for Port of Corpus Christi \(/story/news/local/2018/04/23/gov-greg-abbott-joins-growing-calls-funding-port-corpus-christi-ship-channel-expansion/543459002/\)](#)

**More:** [Port of Corpus Christi pressing aggressive channel expansion schedule \(/story/news/2018/04/17/port-corpus-christi-pressing-aggressive-channel-expansion-schedule/525840002/\)](#)

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

The Army Corps of Engineers, which has nearly \$100 billion in backlogged projects, has been underfunded for years, officials have said, and has fallen victim to a federal appropriations process that has not given them the resources to fulfill their obligations.

Other ports across the state and nation are also looking to expand their own channels, and are competing with the Port of Corpus Christi for federal dollars. After nearly 30 years of waiting, the port received its first funding allocation for construction of the ship channel project from the federal government last week.

The Army Corps of Engineers approved \$23 million toward the first phase of the project in its work plan, for which the Corps has a Project Partnership Agreement with the port. That amount is far less than the \$327 million total cost for the channel expansion, for which the federal government is responsible for \$225 million.

**More:** [Army Corps of Engineers applies \\$23 million to port's channel project \(/story/news/2018/06/11/army-corps-engineers-applies-23-million-ports-channel-project/692056002/\)](#)

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