

Matagorda County Economic Development Corporation

Beaches, Bays, Birds and Business

Volume 5, Issue 1
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Judge Nate McDonald

Message from the MCEDC President

According to the American Association of Port Authorities (AAPA), there are approximately 350 public and privately owned commercial ports with shore-side facilities for the transfer of goods between ships, barges, trucks, and railroads. Matagorda County has two of the 350.

Ports are a fundamental part of our economy. They facilitate a large percentage of the products that businesses depend on, and they serve as economic engines that stimulate development and commerce. Ports are an attractive asset for incoming industry and can set a community apart from others.

One of the largest benefits of shipping cargo by boat or barge is energy savings, whereby costs may be cut through less fuel use per ton delivered. Maritime transportation requires less fuel per ton delivered than other transportation methods. By burning less fuel per ton of cargo, emissions are reduced. As fuel prices increase, water transportation is more affordable. Transporting cargo by water is one of the lowest-cost methods available.

It is estimated that for every ton of cargo that travels through a port, \$51 is returned back to the community. For some ports in Texas, this amounts to millions.

Both the Port of Bay City Authority and Matagorda County Navigation District #1 (MCND#1) have recently constructed expensive projects. MCND #1 has also entered into a Memorandum of Understanding (MOU) with nearby ports. This MOU is a non-binding partnership that allows for joint marketing, information sharing and technological interchange between the ports. Ports are often a precursor to the state of the economy. When there is an economic downturn or uptick, many ports will experience it before others do. The advancement of Matagorda County ports is an important piece of the economic development plan for our county, and their representatives are viable partners on the MCEDC team.

The Port of Bay City Authority

New East Jetty

After five years of planning, \$25 million in funding, and 170,000 tons of rock, the Port of Bay City Authority and the US Army Corps of Engineers completed the Mouth of the Colorado River East Jetty on October 1, 2010.

Continuous dredging had been necessary since 1999 at the mouth of the Colorado River. Since 2005, the Corps had been allocating more of its scarce funding for dredging deep water ports and less for shallow ports and mouths of rivers- such as the Colorado. The Port Authority needed a solution.

In fall of 2005, the Port Authority was awarded \$2.3 million from the Corps through the Hurricane Rita and Katrina Relief Bill. Unfortunately, it was not enough to continue dredging the mouth of the Colorado.

Mike Griffith, Chairman of the Port of Bay City Authority, and George Harrison, board member, traveled to Washington D.C. in February, 2006 to lobby for funding. After several meetings, it became obvious that an environmental assessment, modeling and engineering were necessary before funding would be granted. The next step was to acquire funding for the studies.

Assistant Secretary of the Army, John P. Woodley, Jr., visited Matagorda County, recognized the problem, and determined that the construction of a new jetty would alleviate the need for continuous dredging and provide better navigation through the mouth of the Colorado River. Woodley provided guidance on how to redirect the Hurricane Rita and Katrina Relief funds. For the first time in Texas, federal relief funds were used to complete studies for a long term solution. This was pivotal in the process to correct the mouth of the Colorado. Although discussions had started years before, the Port Authority now had a plan to fix the problem and began an effort to fast track its implementation.

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Largest Barge To Date

Tres Palacios Marine, LP is a steel construction business located on the Matagorda County Navigation District No. 1's Port of Palacios. Tres Palacios Marine specializes in quality custom push boats and barges and offers superior construction through innovative engineering, extraordinary craftsmanship, and the finest production facilities. Their expert technical personnel provide solutions to boat and barge problems through design, engineering, final fabrication, and assembly. Tres Palacios Marine maintains a workforce of 50 employees; nearly all reside in Palacios. Half of the employees have been with Tres Palacios Marine since its beginning.

Tres Palacios Marine is family owned and operated and was formed into a Texas partnership in June, 2006. The partners, West Gulf Holdings, LLP and GSC Resources, Inc., both of Galveston, have been in the ship and barge building industry for over 50 years. GSC Resources, formally known as Galveston Shipbuilding Company, holds over 20 patents for boat and barge construction.

From its inception, Tres Palacios Marine has built 200 foot inland marine barges and 100 foot push boats. After landing a contract in December 2009 to construct a 250 foot ocean-going barge, improvements to the yard were necessary. Forty foot pilings were added to the construction platform to hold the heavier weight of the large ocean barge. Additional jacking points and five launch beams were added, for a total of ten, to launch the barge into the water once it was completed.

Tres Palacios Marine completed the 250 foot ocean barge, its largest barge project to date, in October, 2010. The \$3.2 million project consisted of an ocean-going deck barge measuring 250 ft. X 72 ft. X 16 ft. The deck of the barge was constructed with $\frac{3}{4}$ inch steel, while the bottom of the barge was constructed with $\frac{1}{2}$ inch steel. The ocean barge was completed in only seven months. Seven months at Tres Palacios Marine equates to 30,000 man hours. Many of these hours were spent on the barge's deck, where afternoon steel surface temperatures reached 148 degrees during the heat of the summer sun.

Nineteen employees were added in 2010 to complete the ocean barge and other projects. Engineers modified the standard barge design and the construction assembly was enlarged, but the construction of the ocean barge was not much different from the smaller barges. The 72 foot wide barge was successfully launched into a 230 foot wide canal in Turning Basin #3 at the Port of Palacios. The barge was transported to Florida where a crane was to

be installed. The owners will use the barge for construction projects throughout the world.

How did such a large project come to Palacios? The management of Tres Palacios Marine has a long standing working relationship with the Florida-based crane company that is also working on the barge.

Four and a half years ago, Tres Palacios Marine took over a yard that repaired shrimp boats. Today, Tres Palacios Marine is a thriving business in Matagorda County and has invested millions of dollars in

yard improvements and equipment, including two cranes to move components which are welded elsewhere in the yard, to the construction platform for assembly. Tres Palacios Marine has three barges in the works now, all in different forms of assembly, and contracts for work until 2012. John Fiegel, Operations Manager, is bidding a contract to build a 300 foot barge, 50 feet longer than the ocean barge finished in October. Mr. Fiegel said, with minor additions to the construction platform, the yard would have the capacity for the 300 foot project. Very soon, Tres Palacios Marine could beat its own record for largest barge project. Mr. Fiegel commented that he is constantly looking for qualified people to work on these construction projects.



Special thanks to John Fiegel, Operations Manager, and JoAnne Estopinal, President of Tres Palacios Marine, LP for their contributions to this article. For more information on Tres Palacios Marine, please call 361-972-3097 or email tpmarine@yahoo.com.

East Jetty

An environmental assessment showing minimal impacts was completed in July, 2008, and the Port Authority returned to the task of obtaining funding. There was still little hope for funding for shallow draft projects; projects in deeper ports were given higher priority.

In May 2009, the Corps was seeking shovel-ready projects for stimulus funds from the American Recovery and Reinvestment Act. The Mouth of the Colorado River East Jetty Project fit the criteria for the Recovery Act, but it was a long shot. Because of the efforts of the Port Authority, \$22 million was granted from the Corps' Galveston District allocation from the American Recovery and Reinvestment Act for the East Jetty Project. The Port Authority was required to make a new construction match in the amount of \$3.485 million. The Corps assembled a Project Development Team which met monthly to discuss the project plan and engineering. The Engineering Research and Design Center designed a virtual model and a scale model of the jetty. Dr. Nick Kraus led the



from 200 to 2,000 pounds. The layer of core stones varied from three to six feet deep. Finally, the contractors added the layer of armor stones. The stones were shaped and numbered in the quarry to fit in

specific places in the jetty. A \$140,000 custom grapple carried the armor stones to their specific place along the jetty. The contractors positioned each stone by global positioning satellite location.

The two parallel jetties are 400 feet apart; with an authorized navigation channel between them that is 150 feet wide and 12 feet deep.

The East Jetty project has already had a positive impact on tourism and industry in Matagorda. There has been an increase in requests for large boat slips in the Matagorda Harbor. The East Jetty provides navigational safety and easy access to the Gulf for fishing tournaments, fishing guides, shrimp boats and commercial fishermen.

There has also been a positive impact on Matagorda County. The new jetty will help reduce dredging frequency and channel maintenance costs at the mouth of the Colorado River. Ocean-going vessels now have better access to the Gulf of Mexico, and Mike Griffith hopes to see an increase in light industrial and oil field traffic. A reliable navigation channel in Matagorda County is incentive for industry to locate here.

“The Mouth of the Colorado Jetty Project required an incredible amount of time and effort from a group of people too large to name. Many thanks to everyone who participated in this effort.”
- Mike Griffith, Chairman of the Port of Bay City Authority

development of the model which was instrumental in completion of the project. Rock placement began in spring 2010. The final stone was placed on October 1, 2010.

The East Jetty is 2,780 feet long; 1,140 feet of it is in the water. Armor stones, which are the visible granite stones, average 10-14 tons each. Some are as heavy as 16 tons. Because of their size, the armor stones were delivered two at a time from a quarry in Marble Falls. There are a total of 50,000 tons of armor stone and an additional 120,000 tons of cover and filler stones.

The General Contractor for the East Jetty Project was David Boland. Mike Boland was the project's Superintendent. Target Construction was the primary subcontractor. Corps personnel were onsite to oversee the entire project. The contractors started by digging eight feet below mean low tide level. Then, they laid three feet of blanket stones ranging from half-inch size to 200 pounds. Next, the contractors added a layer of core stones, slightly larger than the blanket stones ranging

Special thanks to Mike Griffith, Chairman of the Port of Bay City Authority, for his contributions to this article. For more information on the Port of Bay City Authority, please visit www.portofbaycity.com.

The Matagorda County Economic Development Corporation (MCEDC) Board represents all of Matagorda County and consists of eleven appointed members from five public entities: Matagorda County, Bay City Community Development Corporation, City of Palacios Economic Development Corporation (EDC), Matagorda County Navigation District #1 (MCND#1), the Port of Bay City Authority, and the four Chambers of Commerce from Bay City, Palacios, Matagorda and Sargent.

The MCEDC is focused on recruiting new industrial, commercial, and tourism infrastructure businesses to Matagorda County and expanding existing ones. The Bay City Community Development Corporation (BCCDC) recruits retail businesses to Bay City and helps existing retailers expand.

MCEDC Board Members:

Judge Nate McDonald- Matagorda County- President
Mitch Thames- Bay City Chamber- Vice President
George Harrison- Port of Bay City Authority- Treasurer
Debbie Morris- MCND#1- Secretary
Mayor Mark Bricker- BCCDC
Mayor John Sardelich - City of Palacios EDC
Councilman Brent Marceaux- BCCDC
V.L. Bowers- Palacios Chamber
Ken Johnson- City of Palacios EDC
Susan Mitchell- Matagorda Area Chamber
Tiger Lane- Sargent Chamber

Owen Bludau- Executive Director
Marsha Butler- Director of Communications

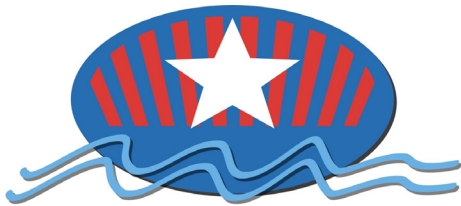
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**MATAGORDA COUNTY
ECONOMIC DEVELOPMENT CORP**

Mission Statement:

*To attract, develop and retain
environmentally acceptable business and industry
in and near Matagorda County.*

This newsletter
is produced three times per year by the
Matagorda County Economic Development
Corporation.

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For more information on MCEDC,
visit our website at: www.mcedc.net.

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*Matagorda County . . . where opportunities abound
in a vibrant community rich with rural charm and natural resources.*

**Matagorda County Navigation District No. 1
Regional Ports MOU**



Regional cooperation is a key element in attracting new industry to the mid coast of Texas, and several regional ports have signed an agreement to work together to bring commerce and new jobs to the area. Matagorda County Navigation District No. 1 Commissioners unanimously supported the opportunity to work with three regional counterparts, Victoria County Navigation District, Calhoun Port Authority and West Side Calhoun County Navigation District, in an effort to identify areas in which cooperation will benefit all parties. Whether movement of goods comes through the deepwater ports, the Victoria Barge Canal or the shallow water ports, the Memorandum of Understanding (MOU) agreed to by the four ports commit the entities to the efficient and cost effective distribution of cargo throughout the region. Other synergies in the area of docking, storage and operations have already been explored by several of the ports.

The mid coast of Texas, specifically the counties of Matagorda, Calhoun and Victoria, is seen as a prime location for large industrial projects. In many instances, no one community or navigation district has all of the assets a large project may need. Many of the industrial clients and location consultants are looking for regional cooperation, and the Regional MOU attests to the willingness of the area ports to work together to meet those needs.

Matagorda County Navigation District No. 1 Chairman Ted Bates, Jr. is enthusiastic about the opportunity for the Port of Palacios to fill a niche in the transportation of cargo in and out of the Palacios area. Chairman Bates noted that grain and aggregate were once commonly distributed from the Port; he looks to the marine highway system to once again provide jobs to the area. A portion of one of the Port's turning basins has recently been dedicated to establishing new dock and warehouse facilities for regional clients.

Special thanks to Debbie Morris, Port Director of Matagorda County Navigation District No.1, for contributing this article.

For more information on MCND#1, please visit www.portofpalacios.com.