

**REAL ESTATE PLAN
FREEPORT HARBOR CHANNEL IMPROVEMENT PROJECT, BRAZORIA COUNTY, TEXAS,
DRAFT INTERGRATED GENERAL REEVALUATION REPORT- ENVIORMENTAL
ASESSMENT**

1. General Background. This Real Estate Plan (REP) is the real estate work product of the U.S. Army Corps of Engineers, Galveston District, Real Estate Division that supports project plan formulation for the Freeport Harbor Channel Improvement Project (FHCIP). It identifies and describes the lands, easements, rights-of-way, relocations and disposals (LERRD) required for the construction, operation and maintenance of the proposed project, including those required for relocations, borrow material, and dredged or excavated material disposal. Further, the REP describes the estimated LERRD value, together with the estimated administrative and incidental costs attributable to providing LERRD, and the acquisition process.

2. Project Type & Applicability. The Galveston District of the Corps is currently conducting a feasibility study of the navigation improvements at the Harbor that are addressing both increased channel width and depth under the authority of River and Harbor Act of 1970 and Section 216 of the Flood Control Act of 1970, which authorizes investigations for modification of completed projects or their operation when found advisable due to significantly changed physical or economic conditions and for improving the quality of the environment in the overall public interest. The table below sets forth the multiple authorizations applicable to the Project, including dates and descriptions of authorized Project features. These authorizations provide the historical foundation for this REP in support of this Integrated General Reevaluation Report - Environmental Assessment (IGRR-EA).

Authorization Documents under Freeport Harbor, Texas Authorization

Date Authorizing Act	Project and Work Authorized for Freeport Harbor, Texas	Documents
Jun 14, 1880	Provided for construction of jetties for controlling and improving the channel over the bar at the mouth of the Brazos River	Rivers and Harbors Act of 1880
Mar 03, 1899	Dredging and other work necessary in judgment of Secretary of War for improving harbor; for taking over jetties and privately built works at mouth of river	River and Harbor Act of 1899, 55th Congress, Ch. 425
Mar 02, 1907	Examination authorized. Work later confined to maintenance of jetties	H. Doc. 1087, 60th Cong., 2nd Sess.
Feb 27, 1911	Repairs to jetties and dredging	River and Harbor Act of 1911, P.L. 61-425
Mar 04, 1913	Construct seagoing hopper dredge	River and Harbor Act of 1913, P.L. 62-429
Aug 08, 1917	Purchase of one 15-inch pipeline dredge and equipment, its operation of 3 years, operation of seagoing dredge one-half time for 3 years, and repairs to jetties	River and Harbor Act of 1917, P.L. 65-37

Date Authorizing Act	Project and Work Authorized for Freeport Harbor, Texas	Documents
Mar 03, 1925 ¹	Diversion dam, diversion channel, and necessary auxiliary works	Rivers and Harbors Committee Doc. 10, 68th Cong., 2nd Sess.
Jul 03, 1930	Maintenance of diversion channel at expense of local interest	Rivers and Harbors Committee Doc. 18, 70th Cong., 1st Sess.
Aug 30, 1935	Deepening channels and basins	Rivers and Harbors Committee Doc. 15, 72nd Cong., 1st Sess.
May 17, 1950	Deepen outer bar channel to 38 feet from gulf to a point within jetties, thence 36 feet in authorized channels to and including upper turning basin.	H. Doc. 195, 81st Cong., 1st Sess.
Aug 30, 1935	Maintenance of present project dimensions of channels and basins at Federal expense	Rivers and Harbors Committee Docs. 15, 72nd Cong., 1st Sess., and 29, 73rd Cong., 2nd Sess.
Jul 03, 1958	Relocate outer bar channel on straight alignment with jetty channel and maintain Brazos Harbor entrance channel and turning basin (constructed by local interests)	Rivers & Harbor Act of 1958 (House Doc. 433, 84th Cong., 2nd Sess.)
Oct 05, 1961	Modification of HD 1469 revoking certain provisions of local cooperation	PL 394, 87th Cong.
Dec 31, 1970	Relocation of entrance channel and deepen to 47 feet; enlargement to a depth of 45 feet and relocation of jetty channel and inside main channel; deepening to 45 feet of channel to Brazosport; enlargement of the widened area of Quintana Point to provide a depth of 45 feet with a 750-foot diameter turning area; Brazosport turning basin to 45 feet deep with a 1,000 foot turning area; a new turning basin with a 1,200 foot diameter turning area and 45 feet deep; deepening Brazosport channel to 36 by 750 feet diameter; flared approaches from Brazos Harbor Channel; relocation of north jetty and rehabilitation of south jetty	R&H Act of 1970, PL 91-611; 84 Stat.1818. ²
Nov 17, 1986	Modified local cooperation requirements for the 1970 Act	Sec. 101, PL 99-662
Nov 08, 2007	Amends Sec 101 of Rivers and Harbor Act of 1970 to make all costs for removal of the sunken vessel COMSTOCK a Federal responsibility	Sec. 3148, PL 110-114

¹ Construction of lock in diversion dam at local expense considered inactive.

² Extension of north jetty 1,950 feet and south jetty 1,265 feet considered inactive (1975 Deauthorization list).

3. Project Location. The project area for this IGRR is a subset of the WRRDA 2014 authorized project study area. It is located immediately south of the City of Freeport, Texas, in Brazoria County. This IGRR focuses on the area affected by the first segment of construction modifications proposed within Reaches 2 and 3 as shown in Exhibit “A” of this REP.

4. Non-Federal Sponsor. The Non-Federal Sponsor (NFS) is Port Freeport. Executed agreements include a FCSA dated June 10, 2015, a Memorandum of Understanding (MOU) for work provided/performed prior to execution of a Project Partnership Agreement (PPA) dated October 30, 2015, and a MOU for work provided/performed prior to execution of a Design Agreement dated December 23, 2013.

5. Scope and Content.

This IGRR is to reevaluate the Freeport WRDA 2014 Project to determine what modification/alterations are necessary to facilitate safe and efficient navigation of Panamax vessels to the Velasco Container Terminal.

The WRDA 2014 Project indicated that Panamax vessels and some Post-Panamax vessels were able to transit to and from the Velasco Container Terminal. Shortly after the study was concluded, the NFS and the pilots expressed concern regarding the ability of the Panamax to reach the Velasco terminal. In late 2014, the NFS approached the Corps and requested reevaluation of the previous study to determine the appropriate modifications to achieve the intent and purpose of the congressionally authorized project. The NFS specifically requested evaluation of the modifications at a depth of 46 feet Mean Lower Low Water (MLLW). It is the intention of the NFS to construct these necessary modifications as a first segment of construction with an ultimate goal of constructing the authorized WRRDA 2014 Project depth.

6. Real Estate Requirements. The Project Sponsor is required to furnish all LERRD for the proposed cost-shared project. The real estate requirements must support construction as well as O&M of the project after completion.

- The first feature will be the deepening and widening at the Dow Thumb by 400ft. The material accumulated by this work will be placed into PA 1. NFS owns the land in fee for PA 1 and has conveyed a 20yr Temp Disposal Easement to the Government from 16 Dec 2004 to Dec 2024. The subject term easement will need to be converted to a perpetual dredge material easement to the Government. Included in this work will be the removal of an underwater berm associated with the existing Freeport Hurricane Flood Protection Project (HFPP).
- The second feature will consist of a bend easing just south of the Dow Thumb and east of the Phillip 66 facility. An estimated 16 acres of land will be cut away from two tracts owned by the NFS. The NFS owns the land in fee and will be required to convey a perpetual channel improvement easement to the Government. This material will be placed into PA1. This feature will also cut into the existing North Wave Barrier (levee structure) associated with the existing HFPP. This structure will need to be relocated and a new flood protection levee easement will need to be conveyed to Velasco Drainage for the right to operate and maintain the relocated levee.

- The third proposed feature will be the construction of a turning notch located at the upper turning basin. The material accumulated by this work will be placed into PA 1. NFS owns the land in fee and will need to convey a perpetual dredge material easement to the Government.
- There may be a possibility that PA 8 will need to be used for this project. If so, the NFS will need to convey a perpetual dredge material easement to the Government. The NFS owns the land in fee for PA8. If it is determined PA 8 will be utilized, a dredge material pipeline easement will be needed for the transfer of material from the channel to PA 8.

PA 1

PA1 is approximately 369 acres and is located in Freeport roughly 0.5 mile south of State Highway 36 and approximately 1,000 feet east of the Brazos River Diversion Channel (USACE 2012a). The NFS owns the land in fee and has conveyed a 20yr Temp Dredge Material Disposal Easement to the Government from 16 Dec 2004 to Dec 2024. The NFS will need to convey a Non-standard Perpetual Dredge Material Placement Easement to the Government.

PA 8

PA8 will be located in Freeport, north of Highway 36, and approximately 1,600 feet west of the Brazos River Diversion Channel (USACE 2012a). The PA is planned to be approximately 168 acres and is currently owned by the NFS. The NFS will need to convey a Non-standard Perpetual Dredge Material Placement Easement to the Government.

PA 9

PA 9 is no longer necessary for the construction and O&M of the project. In the event that PA 9 would have to be utilized, it will be the NFS's responsibility to acquire the land in fee.

ODMDS 1 and 1A

Two ocean disposal sites located in the Gulf of Mexico exist for offshore placement. Both ODMDS sites are located in a dispersive offshore environment and assumed to have unlimited capacity due to longshore drift processes. The New Work ODMDS (ODMDS 1) is designed for an approximately 2,236-acre bottom area and is located approximately 5.5 miles southwest from the mouth of the Jetty Channel and approximately six miles from shore. The Maintenance ODMDS (ODMDS 1A) is designed for an approximately 1,129-acre bottom area and is located approximately 2.5 miles southwest from the mouth of the Jetty Channel and approximately 3 miles from shore. ODMDS 1A previously had restrictions that limited placement to the maintenance material from specific reaches of FHC; however, under the purview of 40 CFR Part 228.14, maintenance material from the entire FHC is now allowed to be placed offshore into the ODMDS 1A. This is the current O&M practice and the assumption for this project is that the current O&M practice of the ODMDS 1A placement for all FHC maintenance material will continue in the future.

Freeport Harbor Channel is a commercial navigation project in which the Federal Government has the responsibility of operating and maintaining the project after construction. Government responsibilities include, but are not limited to, dredging of the Federal project channel, assuring placement area capacity, and protecting the Government from environmental liabilities.

Maintenance dredging of the Federal Project channel is a 100% Federal responsibility and is accomplished through Federal dredging contracts. Perpetual easements conveyed to the Federal Government are needed to assure all project placement areas, which are built for the

purpose of supporting the Federal navigation project, are available to the Government as often and for as long as they are needed to support the project. The Government is also responsible for managing the navigation project to assure sufficient placement area capacity exists to meet the needs of the Federal navigation project now and in the future.

Perpetual easements allow the Government to better restrict/control non-federal use, maximum quantities placed by non-federal interests, and remove any potential for interference with federal dredge contractors. Perpetual easements provide the property interest necessary for the Government to issue outgrants to non-federal users that will require testing and approval of non-federal dredged materials prior to placement into the Federal project placement areas, thus protecting the Government from CERCLA liability.

Based upon the above requirements to the non-standard perpetual easement estate, easement language below has been drafted for use in this project and submitted for approval in this report. Also listed is language to be used for the channel improvement easement, utility and/or pipeline easement and the flood protection levee easement.

Estates

“Non-Standard Perpetual Dredged Material Placement Easement”

A perpetual and assignable right and easement on, over, and across (the land described in Schedule A) (Tracts Nos. _____, _____, and _____), for the location, construction, operation, maintenance and patrol of a dredged material disposal facility, including the right to borrow and/or deposit fill, spoil and dredged material thereon, the right to move, store and remove equipment and supplies, and the right to perform any other work necessary and incident to said facility, together with the right to trim, cut, fell, and remove therefrom all trees, underbrush, obstructions, and any vegetation, structures, or obstacles within the limits of the easement; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

Estate # 8 “Channel Improvement Easement”

A perpetual and assignable right and easement to construct operate and maintain channel improvement works on, over and across (the land described in Schedule A) (Tract Nos. _____, _____) for the purposes as authorized by the Act of Congress approved _____, including the right to clear, cut, fell, remove and dispose of any and all timber, trees, underbrush, buildings, improvements and/or other obstructions therefrom; to excavate: dredge, cut away, and remove any or all of said land and to place thereon dredge or spoil material; and for such other purposes as may be required in connection with said work of improvement; reserving, however, to the owners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

Estate # 13 “Utility and/or Pipeline Easement”

A perpetual and assignable easement and right-of-way in, on, over and across (the land described in Schedule A) (Tracts Nos. _____, _____ and _____), for the location, construction, operation, maintenance, alteration; repair and patrol of (overhead) (underground) (specifically name type of utility or pipeline); together with the right to trim, cut, fell and remove therefrom all trees, underbrush, obstructions and other vegetation, structures, or obstacles within the limits of the right-of-way; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

Estate # 9 “Flood Protection Levee Easement”

A perpetual and assignable right and easement in (the land described in Schedule A) (Tracts Nos, _____, _____ and _____) to construct, maintain, repair, operate, patrol and replace a flood protection (levee) (floodwall)(gate closure) (sandbag closure), including all appurtenances thereto; reserving, however, to the owners, their heirs and assigns, all such rights and privileges in the land as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

7. Borrow Material. The proposed project does not require any borrow material. All material needed for the construction of the placement area levees will be borrowed from within the footprint of the proposed placement area.

8. Access/Staging Area. This IGRR does not require any Access/Staging Areas. Staging areas will be located on barges in navigable waters. All of the proposed work will be performed within the existing property owned by the sponsor and existing roads and highways within the project area. No credit will be allowed for access/staging areas since these areas fall within the boundary lines of the land acquired for the placement areas. The sponsor will get credit for the entire tract acquired for the required placement areas needed for the project.

9. Recreation Features. The proposed project does not have any recreation features.

10. Induced Flooding. There will be no induced flooding by virtue of the construction of the project. The proposed project will be constructed within the existing right-of-way of the Freeport Harbor Channel.

11. Mitigation. There will be mitigation for the construction of PA 8. The potential mitigation site is located adjacent to PA 8 consisting of three tracts totaling 124 acres. The NFS currently owns the land for the proposed mitigation site. A more detailed description of the mitigation plan can be found in the Mitigation Appendix in this document.

12. Federally Owned Land & Existing Federal Project. There is no federally owned land in the project area.

13. Navigation Servitude. Navigation Servitude emanated from the Commerce Clause of the Constitution of the United States, Article I; Section 8, Clause 3. The servitude gives the Federal

Government the right to use the “Navigable Waters” of the United States without compensation for navigation projects. These are non-transferable rights, and are not considered interest in real property. This project may utilize ODMDS 1 for the O&M if it is deemed the least cost alternative. ODMDS 1 located in navigable waters, therefore, there is no real estate requirements associated with these sites.

14. Public Law 91-646 Relocations. There are no residential houses, businesses, or farms that would be required for relocation associated with PL 91-646.

15. Assessment of Project Sponsor Land Acquisition Capabilities. The NFS has the authority and capability to furnish lands, easements and rights of way in accordance with the Feasibility Cost-Sharing Agreement. The NFS is highly capable of performing the real estate acquisition required by this project. An Assessment of NFS Land Acquisition Capabilities Survey was completed and shown in Exhibit “B” of this REP.

16. Baseline Cost Estimate for Real Estate. The costs listed in Exhibit “C” of this REP reflect the estimated real estate costs for the proposed navigation project. Estimated costs include land payments (including mitigation site) authorized by LERRDs and administrative costs incidental to acquisition, for example surveying and mapping. Real Estate Division was not able to obtain non-fed cost including conveyance of three perpetual easement, appraisal cost, administration cost and LERRD crediting cost. The baseline cost estimate is subject to change through final draft of this IGRR.

17. Acquisition Schedule-The acquisition of the LERRD necessary for the Project is the responsibility of the NFS, however, for the current project; the Sponsor owns all the lands required for the proposed plan. However, perpetual easements will need to be conveyed to the Government for the channel improvement feature and dredge material placement area. Details of the schedule for the conveyance of these easements will be develop prior to Pre Engineering and Design (PED).

18. Mineral Activity- Mineral title was not obtained for the review of third party mineral rights at the time of this report. SWG RE’s position for not obtaining mineral title is that the NFS has owned the lands in fee for PA1 and proposed PA8 for over 10yrs without mineral extraction activity from third parties.

19. Facilities/Utilities/Pipelines Relocation-There are 2 known pipelines crossing the channel, Freeport LNG is a recent permitted line already at the required depth (no relocation/removal) and Enbridge Power Corp. of which the NFS has determined that no relocation/removal is required.

The bend easing project feature will impact the existing North Wave Barrier of the Freeport Hurricane Flood Protection System. This structure will need to be relocated and a new flood protection levee easement will need to be conveyed to Velasco Drainage for the right to operate and maintain the relocated levee. The cost for the relocation of the wave barrier will be included in the total project cost.

20. HTRW or Other Environmental Contaminants A HTRW assessment was conducted for Freeport WRRDA 2014 Project, in accordance with USACE document Engineering Regulation (ER) 1165-2-132. The assessment revealed that several HTRW sources exist at upland industries that line the banks of the Freeport Harbor Channel. Although these sources exist upland, no active enforcement actions were under way and no HTRW sites are located within the project area footprint.

21. Attitudes of the Landowner-The NFS is the owner of all the project lands. As owners they are supportive and in favor of the project. Therefore, no resistance to the project by the landowner is expected.

22. Sponsor Notification of Risks- An example of a letter notifying the NFS risk in acquiring lands prior to the signing PPA is shown on Exhibit "D" of this REP.

EXHIBIT A



EXHIBIT B

ASSESSMENT OF NON-FEDERAL SPONSOR'S REAL ESTATE ACQUISITION CAPABILITY

Port of Freeport
Brazoria, Texas

Freeport General Reevaluation Report, Texas

I. Legal Authority:

- a. Does the sponsor have legal authority to acquire and hold title to real property for project purposes?
(yes/no)

YES

- b. Does the sponsor have the power of eminent domain for this project?
(yes/no)

YES

- c. Does the sponsor have "quick-take" authority for this project? (yes/no)

YES

- d. Are any of the lands/interests in land required for the project located outside the sponsor's political boundary? (yes/no)

NO

- e. Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn? (yes/no)

NO

II. Human Resource Requirements:

- a. Will the sponsor's in-house staff require training to become familiar with the real estate requirements of Federal projects including P.L. 91-646, as amended? (yes/no)

N/A

- b. If the answer to II.a. is "yes", has a reasonable plan been developed to provide such training? (yes/no)

N/A

c. Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project? (yes/no)

YES

d. If the sponsor's projected in-house staffing level sufficient considering its other work load, if any, and the project schedule? (yes/no)

YES

e. Can the sponsor obtain contractor support, if required in a timely fashion? (yes/no)

YES

f. Will the sponsor likely request USACE assistance in acquiring real estate? (yes/no) (If "yes", provide description)

NO

III. Other Project Variables:

a. Will the sponsor's staff be located within reasonable proximity to the project site? (yes/no)

YES

b. Has the sponsor approved the project/real estate schedule/milestones? (yes/no)

YES

IV. Overall Assessment:

a. Has the sponsor performed satisfactorily on other USACE projects? (yes/no)

YES

b. With regard to this project, the sponsor is anticipated to be: highly capable/fully capable/moderately capable/marginally capable/insufficiently capable. (If sponsor is believed to be "insufficiently capable," provide explanation)

FULLY CAPABLE

V. Coordination

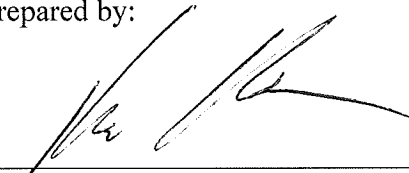
a. Has this assessment been coordinated with the sponsor? (yes/no)

YES,

b. Does the sponsor concur with this assessment? (yes/no) (If "no," provide explanation)

YES

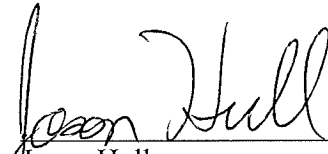
Prepared by:



Date 11/9/16

Kenny Pablo
Realty Specialist
Galveston District
U.S. Army Corp of Engineers

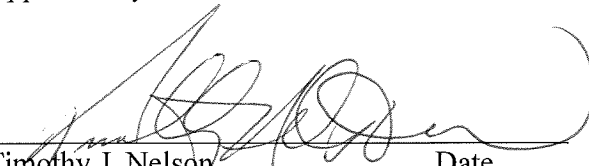
Reviewed by:



Date 11/9/16

Jason Hull
Director of Engineering
Port of Freeport

Approved by:



Date

Timothy J. Nelson
Chief, Real Estate Division
Galveston District
U.S. Army Corp of Engineers

EXHIBIT C

Contract C

FREEPORT -NON-FEDERAL COSTS		Amount	Contingency
102	Acquisitions (Easements)		
	Channel Improvement Easment for Bend Easing (2 Tracts)	\$20,000.00	\$5,000.00
	Perpetual Easments to Govt for PA 1 (4 Tracts)	\$40,000.00	\$10,000.00
105	Appraisals (6 Tracts)	\$6,000.00	\$1,500.00
107	Temporary Permits/Licenses/R.O.W	\$10,000.00	\$0.00
112	Project Related Administration	\$0.00	\$0.00
1150	Land Payments (Land Value)*NFS already owns land for PA1 and bend easing; value needed for LERRD credting purposes.		
	*PA1 (4 tracts)	\$484,951.00	\$121,237.75
	*10 acre cut (Bend easing) (2 tracts)	\$3,005,320.00	\$751,330.00
117	LERRD Crediting	\$60,000.00	\$12,000.00
	Sub Total	\$3,626,271.00	\$901,067.75
	Total	\$4,527,339	
FREEPORT- FEDERAL COSTS		Amount	Contingency
102	Acquisitions Review		
	Channel Improvement Easment for Bend Easing (2 Tracts)	\$15,000.00	\$3,750.00
	Perpetual Easments to Govt for PA 1 (4 Tracts)	\$15,000.00	\$3,750.00
105	Appraisal Review (\$5,000 per tract assuming 6 tracts)	\$30,000.00	\$7,500.00
107	Temporary Permits/Licenses/R.O.W	\$0.00	\$0.00
112	Project Related Administration	\$10,000.00	\$2,500.00
11504	Other	\$0.00	\$0.00
117	LERRD Crediting Review	\$36,000.00	\$9,000.00
	Sub Total	\$106,000.00	\$26,500.00
	Total	\$132,500.00	

EXHIBIT C

Contract 4			
FREEPORT -NON-FEDERAL COSTS			
		Amount	Contingency
102	Acquisitions (Labor to obtain easement;Labor to convey PA8 easement to Government)		
	Pipeline Easement	\$20,000.00	\$5,000.00
	PA8 Easement	\$20,000.00	
105	Appraisals (9Tracts)	\$9,000.00	\$2,250.00
107	Temporary Permits/Licenses/R.O.W	\$0.00	\$0.00
112	Project Related Administration	\$10,000.00	\$2,000.00
1150	Land Payments (Land Value)*NFS already owns land; value needed for LERRD crediting purposes.		
	*PA8 (1 tracts)	\$188,446.00	\$47,111.50
	Pipeline Easement Value(9 tracts)	\$367,606.00	\$91,901.50
117	LERRD Crediting	\$50,000.00	\$10,000.00
	Sub Total	\$665,052.00	\$158,263.00
	Total	\$823,315	
FREEPORT- FEDERAL COSTS		Amount	Contingency
102	Acquisitions Review		
	Pipeline Easement (9 Tracts)	\$10,000.00	\$0.00
	PA8 Easement	\$30,000.00	\$0.00
105	Appraisal Review (\$5,000 per tract assuming 8 tracts)	\$40,000.00	\$10,000.00
107	Temporary Permits/Licenses/R.O.W	\$0.00	\$0.00
112	Project Related Administration	\$10,000.00	\$2,500.00
117	LERRD Crediting Review	\$30,000.00	\$7,500.00
	Sub Total	\$120,000.00	\$20,000.00
	Total	\$140,000.00	

EXHIBIT C

Contract 8			
FREEPORT -NON-FEDERAL COSTS			
		Amount	Contingency
102	Acquisitions (labor to convey easements)	\$0.00	\$0.00
	Mitigation Site 3	\$20,000.00	\$0.00
105	Appraisals (3 Tracts)	\$3,000.00	\$750.00
107	Temporary Permits/Licenses/R.O.W	\$0.00	\$0.00
112	Project Related Administration	\$10,000.00	\$2,000.00
1150	Land Payments (Land Value)*NFS already owns land; value needed for LERRD credting purposes.		
	*Mitigation Site 3	\$767,968.00	\$191,992.00
11504	Other	\$0.00	\$0.00
117	LERRD Crediting	\$20,000.00	\$4,000.00
	Sub Total	\$820,968.00	\$198,742.00
	Total	\$1,019,710	
FREEPORT- FEDERAL COSTS		Amount	Contingency
102	Acquisitions Review	\$0.00	\$0.00
	Mitigation Site 3	\$10,000.00	\$0.00
105	Appraisal Review (\$5,000 per tract assuming 3 tracts)	\$15,000.00	\$3,750.00
107	Temporary Permits/Licenses/R.O.W	\$0.00	\$0.00
112	Project Related Administration	\$10,000.00	\$2,500.00
11504	Other	\$0.00	\$0.00
117	LERRD Crediting Review	\$15,000.00	\$3,750.00
	Sub Total	\$50,000.00	\$10,000.00
	Total	\$60,000.00	

EXHIBIT D



DEPARTMENT OF THE ARMY
GALVESTON DISTRICT, CORPS OF ENGINEERS
P. O. BOX 1229
GALVESTON, TEXAS 77553-1229

Real Estate Division

Mr. Jason Hull
Director of Engineering
Port Freeport
1100 Cherry Street
Freeport, TX 77541

Dear Mr. Hull:

It is our understanding, that you may or have begun acquiring rights-of-way in connection with the Freeport Project prior to execution of a Project Partnership Agreement (PPA) with the Federal Government. We appreciate your support for this proposed project, but our regulations require us to inform you that **IF FOR ANY REASON, THE AMENDED LCA NEVER GETS SIGNED OR IF CONGRESS FAILS TO AUTHORIZE OR FUND THE PROJECT, ANY LAND YOU ACQUIRED OR ANY MONEY YOU SPEND IN YOUR EFFORTS TO ACQUIRE LAND WILL BE AT THE SOLE RISK OF HARRIS COUNTY FLOOD CONTROL DISTRICT.**

Furthermore, for any property that qualifies for Federal participation in the project, your acquisition efforts must be in compliance with all of the provisions of P.L. 91-646, the Federal Relocation Assistance Law.

Please ensure that records are kept regarding purchase price and real estate administrative expenses such as title evidence, surveys and appraisal fees. This will be necessary for you to receive credit in the event of Federal Authorization. Be advised that regulations dictate that credit will not be given for real estate administrative costs for properties acquired five years' prior to execution of a PPA.

If you have any questions, please contact Mr. Kenny Pablo at (409) 766-3816 or Kenneth.Pablo@usace.army.mil.

Sincerely,

Timothy J. Nelson
Chief, Real Estate Division
Galveston District
U.S. Army Corps of Engineers