US Army Corps of Engineers.

Brazos Island Harbor Channel Improvement

Innovative Delivery Process (P3)

An innovative solution to meet the nation's water resource needs

Consistent with the **President's Plan to Build a Modern, Sustainable Infrastructure and an Equitable Clean Energy Future**, alternative financing of Brazos Island Harbor [BIH] represents public and private sectors partnering to develop solutions to deliver modern and sustainable community based infrastructure. Additionally, the channel improvements will **create good-paying jobs in one of the nation's poorest counties**, and will make the industries in the county and region more sustainable.

The BIH Innovative Delivery approach is designed to **efficiently** and **effectively deliver** national infrastructure solutions. The approach **expands** partnerships, **reallocates** risk, and **enables** delivery while **significantly reducing** the cost and time of project delivery. Implementing this approach will allow Corps to be **relevant, responsive, reliable** and **efficient** in the 21st Century economy. Applying this model will allow the Corps to deliver more projects to the American people in a continually constrained fiscal environment.

Innovative Delivery Process:

- Responsive to the President's and the Nation's call for innovative financing
- Demonstrates what can be done within existing laws and policies
- Innovative approach leading to significant gains in efficiency, productivity, and resiliency
- Supports, promotes, and expands opportunities for infrastructure investments
- Improves project delivery for Civil Works
- Cost effective investment

What is Innovative Delivery? An approach that will transfer risk and leverage public and private resources to construct the BIH project in a cost effective and timely manner.

What can Innovative Delivery do? It will save the Federal Government $72M in project costs and reduce the project delivery timeline by 50% compared with traditional approaches.

Why this project? This navigation project is well suited to demonstrate the effective use of a Public Private Partnership because: 1] the Corps and local sponsors have a strong partnership; 2] local funding is secured for Phase 1; 3] the project supports an economically disadvantaged community by creating thousands of good-paying jobs locally and regionally; 4] the Port is critical for imports of wind energy components.

When will this project start? Local sponsors have awarded the contract for Phase 1 and intend to start construction in 2021.

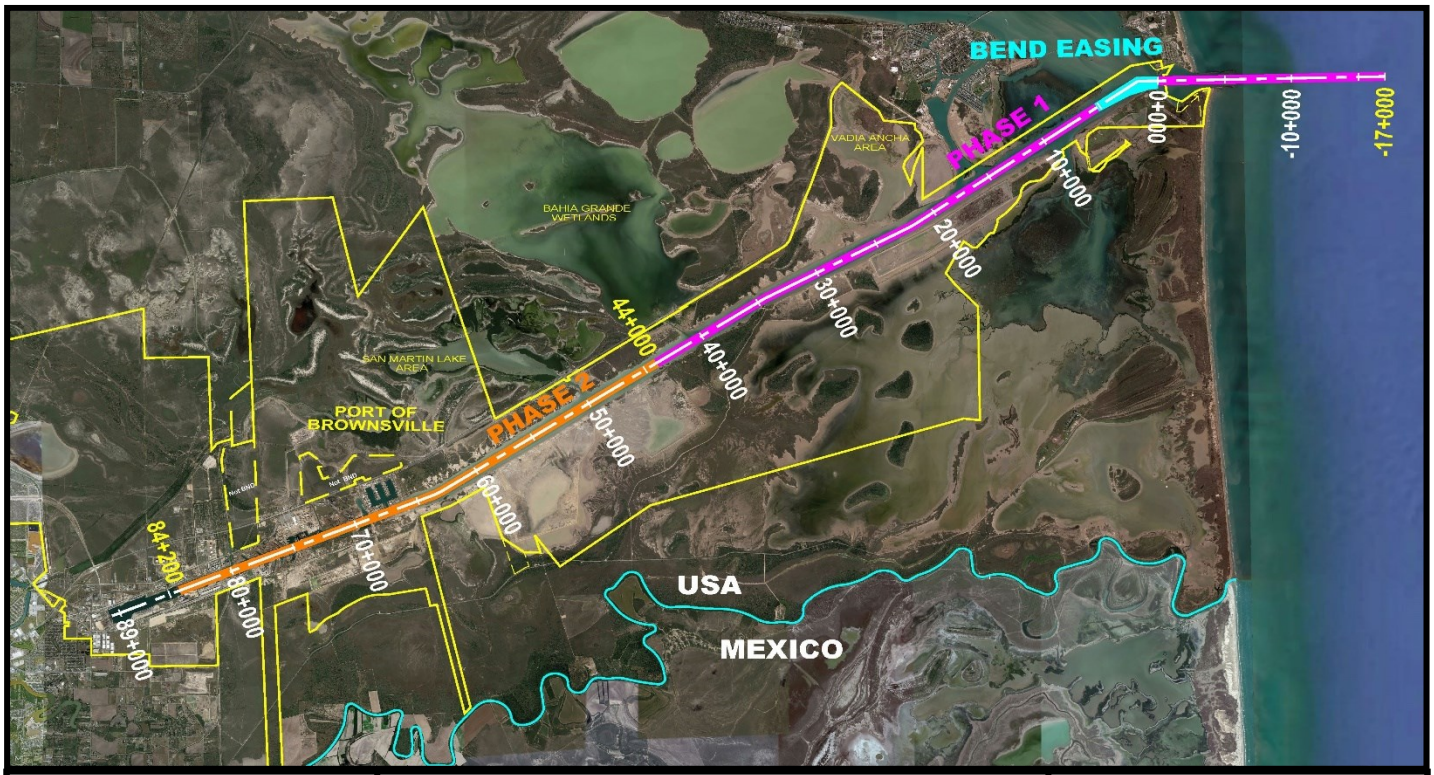
What's needed to make this a reality? Federal construction depends on designation of this project as a Construction New Start and receipt of Federal funds. The required authority is already in place. Continued support in future years will be critical.

Innovative Delivery Outperforms Traditional Project Delivery

	Innovative Delivery (P3)	Traditional Delivery
Authorized	YES	YES
Transfers Risk	YES	NO
Federal Share	$65M	$137M
Federal Cost Savings	$72M	$0
Project Operational	3 years	6 years
Federal Return On Investment	343%	207%
MINIMIZES Federal Risk	YES	NO
Implementable TODAY	YES	YES
Addresses Corps project backlog	YES	NO
Addresses COST and TIME growth issues	YES	NO
Number of Construction Contracts	3	6

Innovative delivery of the BIH Channel Improvement project will:

- Save the Federal government $72M
- Significantly benefit economically disadvantaged communities
- Expand U.S. clean energy capability
- Transform Civil Works project delivery



Total Project Cost = $310M

Phase 1: $195M

Phase 2: $65M

Dock Improvements: $50M

Brazos Island Harbor Channel Improvement Project

VICINITY MAP

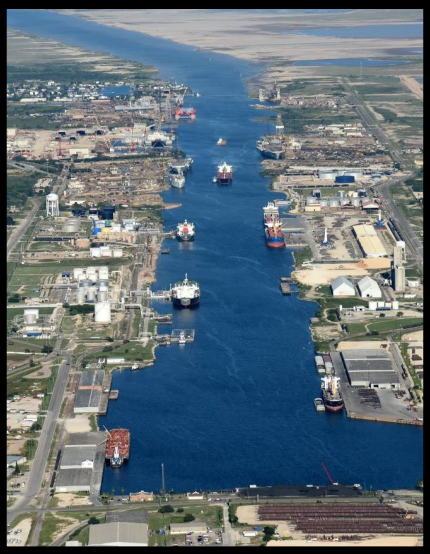
Coordinate System: NAD 1983 State Plan Texas South FIPS 4205
Units: Feet

The Biden Administration recognizes the important role seaports – particularly the Port of Brownsville – will play in the president's clean energy initiative:

"The industry will also spawn new supply chains that stretch into America's heartland, as illustrated by the 10,000 tons of domestic steel that workers in Alabama and West Virginia are supplying to a Texas shipyard where Dominion Energy is building the Nation's first Jones Act compliant wind turbine installation vessel."

The BIH Channel Improvement Project:

- Benefits an economically disadvantaged community by creating **4,900 new jobs** in a community where more than 25% of the population has remained in poverty for decades
- Increases access to **clean energy**
- Leverages **private investments**
- Increases export capability
- Increases cargo movement, reduces transit times and improves safety



Source: https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/29/fact-sheet-biden-administration-jumpstarts-offshore-wind-energy-projects-to-create-jobs/