GALVESTON WHARVES

PORT OF GALVESTON

2045 MASTER PLAN

FEBRUARY 2026

Bermello Ajamil

A WOOLPERT COMPANY

PROJECT TEAM AND ACKNOWLEDGMENTS

The preparation of this Master Plan was supported by a multidisciplinary consultant team providing technical analyses and advisory services, in collaboration with Port of Galveston staff.

This Master Plan was prepared for and formally adopted by the Galveston Wharves Board of Trustees.

PRIME CONSULTANT:

Bermello Ajamil
A WOOLPERT COMPANY

SUB-CONSULTANTS:

Lambert ADVISORY

MARTIN ASSOCIATES

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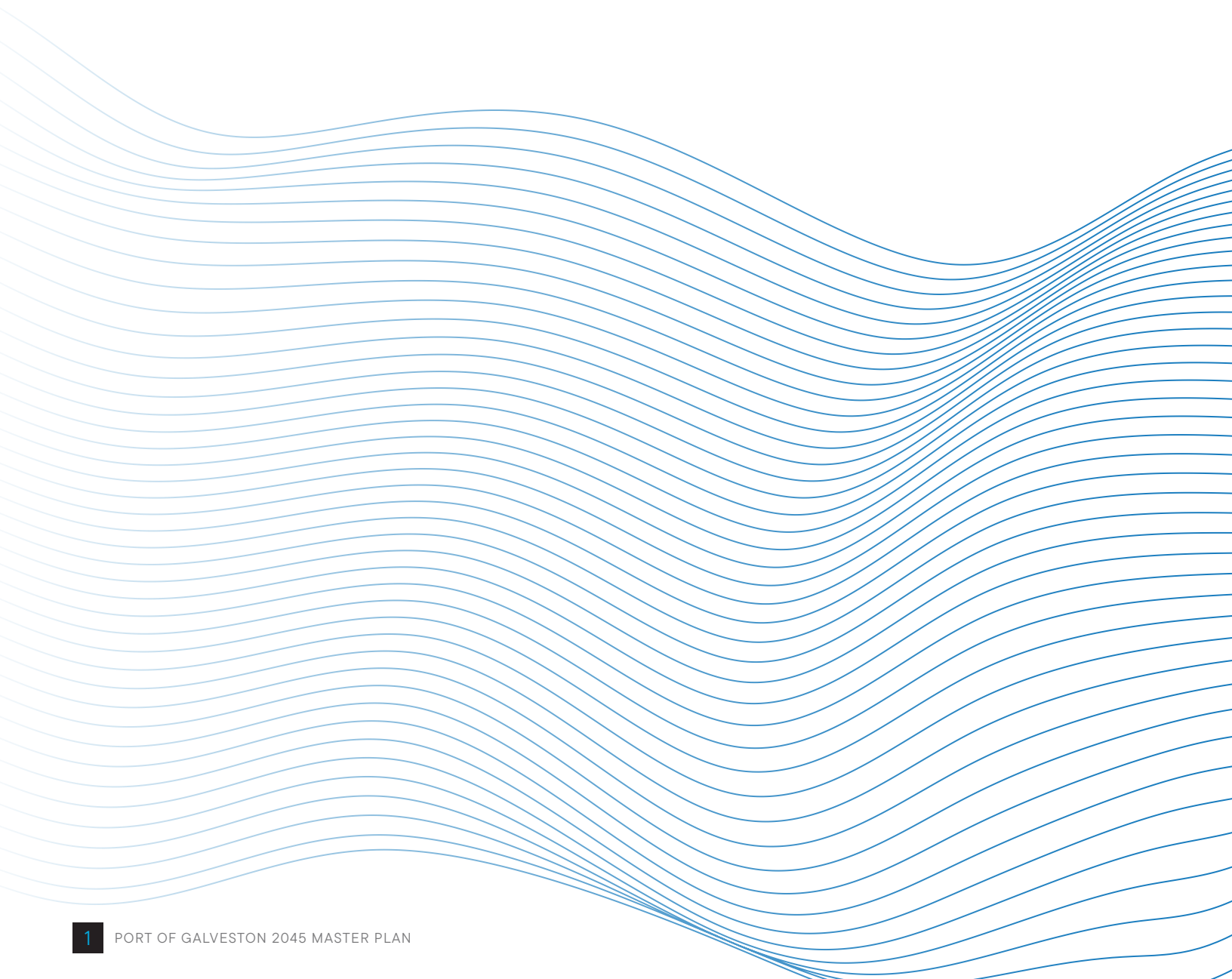


INTRODUCTION

The Port of Galveston, governed by the Galveston Wharves Board of Trustees, is a municipally owned port committed to advancing waterborne commerce, driving economic growth, and serving the public good. Established in 1825, it is the oldest port on the Gulf of America west of New Orleans. Originally a hub for cotton exports, the Port is evolving into a modern, diversified maritime gateway supporting a mix of cargo, cruise, and offshore energy operations.

Strategically located just 9.3 nautical miles from open Gulf waters and near Houston's major population and industrial centers, the Port has become the fourth busiest cruise homeport in the United States. In recent years, it has moved almost 3.6 million passengers and 2.9 million tons of cargo annually, generating $46.7 million in operating revenue in 2025.

AS TEXAS' ONLY CRUISE PORT AND A GROWING CENTER FOR CARGO AND COMMERCIAL DEVELOPMENT, THE PORT CONTINUES TO PLAY A VITAL ROLE IN SUPPORTING THE REGIONAL AND STATE ECONOMY.

In 2019, the Port adopted its first 20-year Strategic Master Plan to establish a vision for a self-sustaining, resilient, and financially strong port. Despite the unprecedented disruption caused by the pandemic, the Port has successfully advanced key priorities outlined in that plan. Since 2019, more than $600 million in capital investments have been made to expand cruise infrastructure, enhance commercial development, and strengthen cargo handling capabilities. In turn, the Port has excelled financially, achieving record revenues, strengthening its balance sheet, and positioning itself for continued growth.

These accomplishments, summarized in the table below, highlight the Port's long history of adapting to evolving markets and its commitment to careful, strategic planning to ensure its long-term success as a global trade gateway and valued community asset.

This Master Plan represents a flexible, long-range vision for the Port's future and does not constitute a commitment to construct all identified projects, which remain subject to Board approval, market conditions, and appropriate technical and infrastructure evaluation.

MAKING AN IMPACT

PORT OF GALVESTON'S ECONOMIC CONTRIBUTIONS AT A GLANCE (2023)

23,683
TEXAS JOBS SUPPORTED

$7.4B
TOTAL ECONOMIC VALUE

$1.9B
DIRECT BUSINESS REVENUE

$1.1B
RE-SPENDING OF INCOME/ LOCAL CONSUMPTION

$4.4B
RELATED OUTPUT

$149M
STATE AND LOCAL TAX REVENUE

KEY ACHIEVEMENTS SINCE 2019

CRUISE EXPANSION	Opened two cruise terminals and renovated an existing terminal to accommodate larger vessels.
INFRASTRUCTURE UPGRADES	Improved 1,340 linear feet of piers and bulkheads, expanded cargo laydown areas, and enhanced traffic and pedestrian access at port entries.
FINANCIAL PERFORMANCE	Increased operating revenue by $28 million while expenses remained flat, driving EBITDA growth of 154%.

	2019	2025	Change
OPERATING REVENUE	$59.0M	$87.3M	$28.3M
OPERATING EXPENSE	$40.6M	$40.6M	($0)
EBITDA	$18.4M	$46.7M	$28.4M
EXPENSE TO REVENUE RATIO	69%	47%	(22%)
CRUISE CALLS	297	415	118
CRUISE PASSENGERS	2.2M	3.6M	1.4M
VEHICLES PARKED	114K	227K	113K
CARGO TONNAGE	2.7M	2.9M	200K

PLAN PURPOSE

Following the success of the 2019 Master Plan, the Port anticipates increased demand, growing development pressures, and evolving operational requirements. This anticipated growth is the catalyst for this new Strategic Master Plan Update, which enables the Port to proactively manage expansion, optimize land use, and ensure long-term environmental and operational resilience.

The purpose of this Plan is to guide the Port's growth with a sustainable, financially sound, flexible, and community-aligned framework that supports long-term economic vitality and regulatory compliance.

GOALS & OBJECTIVES

This update evolves policies and strategies established in 2019 to reflect updated market conditions, operational needs, and community priorities. The Plan is built around the following high-level goals and objectives:

- Reaffirm the Port's role as a driver of economic growth, trade, and community benefit
- Ensure future development aligns with the Port's mission and statutory obligations
- Guide short- and long-term capital investments over the next 5–10+ years
- Build alignment among Port leadership, stakeholders, the City of Galveston, and community partners around a shared vision
- Strengthen financial capacity, operational resilience, and long-term sustainability
- Establish a clear framework for future planning, permitting, funding, and infrastructure decision-making
- Unlock long-term development potential, including Pelican Island
- Maintain full compliance with all federal, state, and city regulatory requirements

MASTER PLAN SCOPE & PHASING

The Master Plan is intended as a strategic planning and decision support tool, not a fixed capital program or construction commitment. Projects are organized across near, mid, and long-term horizons to illustrate potential sequencing based on operational priorities, financial timing, market demand, and infrastructure readiness.

The Plan also recognizes the importance of parallel and external infrastructure investments—including roadway, bridge, rail, and regional access improvements—such as potential enhanced connections between Interstate 45 and port facilities. The master plan projects are identified conceptually and are subject to further study, coordination, and approvals. In parallel, the Port is planning to execute a transportation mobility study, the findings of which will be used to inform future planning and investment decisions.

STRATEGIC FOCUS AREAS

To achieve these goals, the Plan prioritizes key focus areas that guide decision-making and implementation:

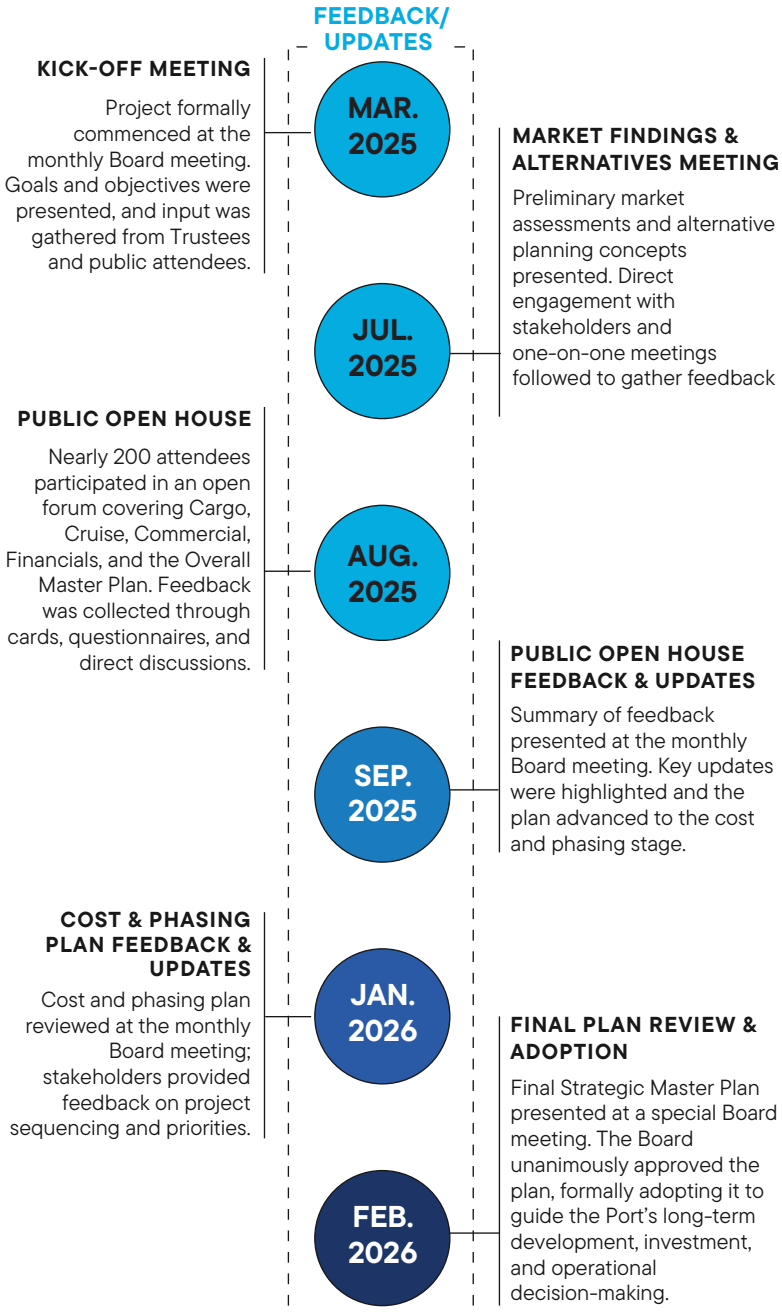
- Balanced Port Investments: Grow a diversified portfolio across cargo, cruise, transportation, industrial, and waterfront development while optimizing existing assets
- Pelican Island Development: Build long-term cargo and industrial capacity
- Modernization & Resilience: Update Port policies, operations, and infrastructure to meet evolving markets, emerging technologies, and environmental resilience needs
- Data-Driven Planning: Leverage GIS, asset management, and traffic analytics to inform investment timing and operational decisions
- Community & Environmental Alignment: Strengthen connections to downtown and public spaces while advancing beautification and sustainability initiatives
- Regulatory Compliance: Maintain full adherence to federal, state, and city requirements

PLANNING PROCESS & METHODOLOGY

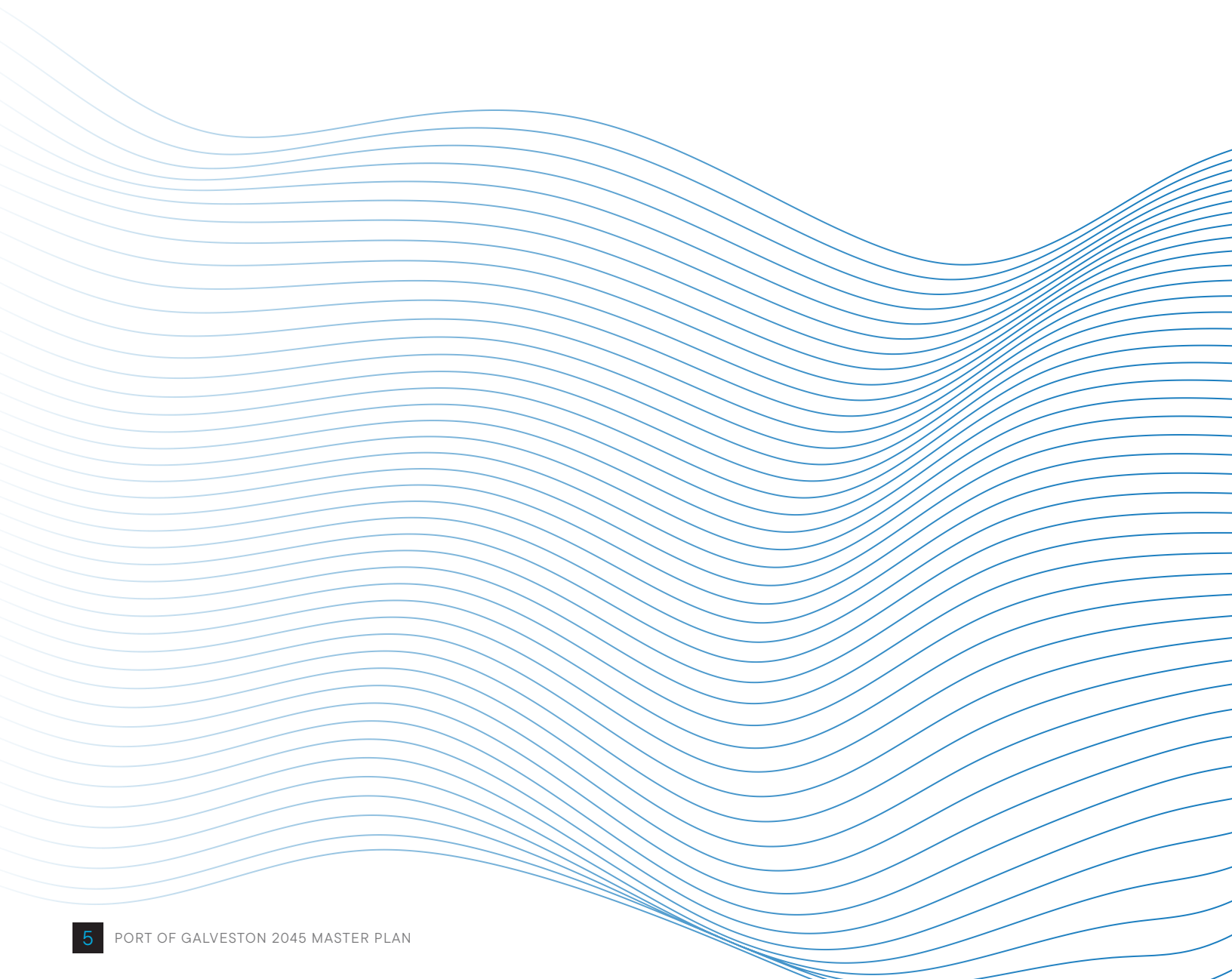
The Strategic Master Plan was developed through a phased process grounded in data analysis, market studies, and stakeholder engagement. Input was gathered from the Wharves Board, port tenants, tourism partners, the City of Galveston, business leaders, and the broader community.

Key components of the planning process include:

- Market analyses of the cruise, cargo, and commercial sectors
- Development of planning alternatives considering traffic, parking, and berth utilization
- Infrastructure definition for cargo and cruise operations
- Identification of real estate development opportunities, including green spaces and downtown linkages
- Integration of marine operations with coordinated land use and operational strategies
- Stakeholder engagement through meetings and public forums with tenants, prospective customers, and the broader community
- Scenario testing using financial, operational, and community-based criteria
- Refinement of a preferred development strategy based on stakeholder feedback
- Preparation of a phased capital investment program



EXISTING CONDITIONS



THE PORT

Established in 1825, the Port of Galveston historically functioned as a traditional cargo port, supporting regional and national trade through bulk, breakbulk, and general cargo activities. Over time, changes in global shipping patterns, cargo handling technologies, and regional logistics networks have prompted the Port to evolve into a more diversified maritime hub.

While cargo operations remain a core function, the Port has expanded to accommodate a growing cruise sector, commercial development, and a broader mix of port-related uses distributed across the property. Former cargo piers and waterfront areas have been transformed to support modern cruise terminals, passenger facilities, parking, and complementary commercial uses, while cargo activities have been increasingly consolidated in locations better aligned with their operational requirements.

As a result, port activities are distributed across the property and, for planning purposes, are organized into four primary geographic areas—East Port, Mid Port, West Port, and Pelican Island—each accommodating a general mix of uses. In addition, the Port's lands directly interface with surrounding community and institutional areas that shape its operational and urban context.

PORT GEOGRAPHIC AREAS

East & Mid Port
Center of cruise activity, consisting of cruise terminals, parking facilities, and limited commercial development.

West Port
Core of the Port's cargo-handling operations, including rail access, laydown yards, and terminal facilities.

Pelican Island
Although the island offers significant acreage, development is limited by constraints in bridge and rail connectivity and the absence of essential utility infrastructure.

ADJACENT LAND USES AND INTERFACE

Downtown Strand District
Galveston's historic downtown Strand District lies immediately south of Mid Port, separated from port operations by Harborside Drive. This adjacency places a major cultural and commercial district directly alongside active port facilities, creating a distinct interface between maritime operations and the city's historic urban core.

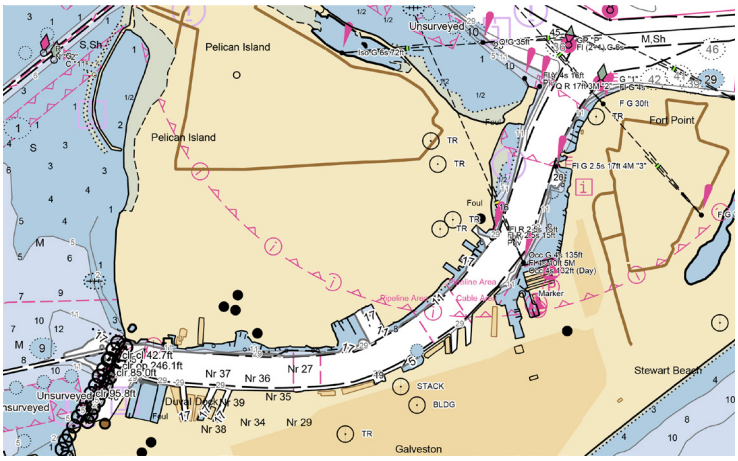
UTMB & Texas International Terminals
To the east, the Port directly borders the University of Texas Medical Branch (UTMB) campus, while Texas International Terminals occupies the industrial area to the west. These institutional and industrial neighbors frame the Port within a diverse context of medical, academic, and heavy-industrial land uses.

Pelican Island
On Pelican Island, property ownership is divided among the Port of Galveston, the Port of Houston, the U.S. Government, and Texas A&M University at Galveston.

NAVIGATION & CHANNEL ACCESS

The Port's facilities are located roughly 9 nautical miles (45 minutes) from the open Gulf of Mexico along the Gulf Intracoastal Waterway at the entrance to Galveston Bay. The Galveston Channel, maintained by the U.S. Army Corps of Engineers (USACE), has an authorized depth of 45 feet and a minimum width of approximately 1,200 feet. USACE performs maintenance dredging on a two-year cycle to maintain navigable depths.

The Galveston Wharves maintains a 150-foot-wide segment of the channel frontage to ensure access to berths and slips between Piers 10 and 41. Additional, localized dredging is conducted around the Port's Pelican Island facilities to support operational depth requirements.



Source: NOAA

FOREIGN TRADE ZONE NO. 36

The Port administers Foreign Trade Zone (FTZ) No. 36, established in 1978 and expanded under the Alternative Site Framework in 2000. The FTZ serves Galveston County and offers flexible activation for businesses responding to market demand. Active FTZ sites include Port-owned facilities, sites in Hitchcock, Texas, and a 38-acre area at Scholes International Airport. The FTZ provides supply chain advantages such as deferred duty payments, duty exemptions on re-exports, and improved cargo flow efficiency.

These combined assets—deep water access, reliable federal channel maintenance, and FTZ benefits—position the Port as a competitive Gulf Coast hub for cargo, industrial tenants, and maritime commerce.

MARINE STRUCTURES

The Port of Galveston includes approximately 21,000 linear feet (4 miles) of wharf space along the Galveston Channel, supporting a mix of RoRo cargo, project cargo, lay vessels, cruise operations, and bulk handling. Most berths are open wharf structures made up of concrete platforms supported by piles. Behind the wharf, steel sheet pile bulkheads and pile supported concrete decks form the transition to the shoreline. Fender systems vary across the Port and include rubber fenders, panel systems, and truck tire assemblies.

Many of the Port's marine structures were originally built before World War II. While they have served the Port well for generations, limited reinvestment has left many facilities outdated for today's operational needs. Modern cargo and cruise operations require updated infrastructure, higher performance standards, and more efficient use of available land.

Although many structures are rated in fair condition, the Port's long-term needs extend beyond basic repairs. To support current operations and future growth, modernization efforts focus on improving layouts, updating infrastructure, and reconfiguring space to better support both cruise and cargo activity, rather than simply addressing structural aging.

FIGURE 1 highlights current and planned improvement projects, and TABLE 1 summarizes overall facility conditions. Across the Port, targeted repairs will be needed to extend the useful life of existing structures and prevent further deterioration, especially in areas experiencing growing operational demands.

FIGURE 1: GALVESTON MASTER FACILITY ASSESSMENT

TABLE 1: PIER CONDITION OVERVIEW

PIER(S)	STRUCTURE TYPE	PRIMARY USE / OPERATIONS	CONDITION / NOTES
EAST PORT			
10	Concrete pile-supported jetty platform with concrete cap/deck	Cruise terminal 10	Good condition following 2022 redevelopment
12	Concrete pile-supported jetty platform	Not in use	Several piles missing/heavily damaged; pilecaps and underside of deck severely deteriorated; complete replacement recommended
14	Steel sheet pile bulkhead with concrete cap/deck	Parking facility	Failed bulkhead; requires complete replacement to be operable
15	Concrete pile-supported jetty platform	Vessel mooring on an as-need basis	Fair condition; moderate-to-severe spalling in some locations
16–18	Concrete pile-supported jetty platform	Cruise terminal 16	Good condition following 2025 redevelopment
MID PORT			
19–22	Concrete pile-supported jetty platform	Marina	Area requires detailed inspection and assessment
WEST PORT			
23–25	Steel pile-supported jetty platform	Cruise terminal 25	Fair condition; terminal upgrades completed 2023
26–29	Concrete pile-supported jetty platforms	Cruise terminal 28 and additional cruise staging	Fair condition; low-priority repairs needed for localized spalling
30–32	Concrete pile-supported jetty platforms	Cargo laydown and RoRo operations	Fair condition; low-priority repairs needed
33	Concrete pile-supported jetty platform	Cargo handling, RoRo, lay-ship services, and wind turbine blade operations	Fair condition; low-priority repairs needed
34–35	Concrete pile-supported jetty platforms	Bulk cargo export operations	Fair condition; low-priority repairs needed
36–41	Deteriorated bulkhead structures	Cargo handling (rehabilitation projects ongoing)	Rehabilitation underway

One of the Port's highest priority areas is the West Port (Piers 36–41), where aging bulkheads show significant deterioration (see FIGURE 2). To support future redevelopment, the Port has demolished the Pier 39/40 bulkhead and is installing new sheet piling from the Pier 41 T-head to Pier 38. This work will create a continuous 1,434-foot berth, with future phases expected to fill slips and add paved areas to increase cargo-handling capacity.

Construction at Piers 16–18 was completed in late 2025, converting former warehouse and wharf areas into modernized space to support Cruise Terminal 16. This redevelopment reflects the Port's broader strategy to optimize existing land and align facilities with growing operations.

Additional detailed inspections and testing, including underwater inspections, are recommended prior to any future facility expansion or repurposing. General recommendations for facilities as a whole include:

- Monitor failed or damaged areas to prevent deterioration from spreading to neighboring structures.
- Since failed facilities are no longer in use, they are a lower priority than active facilities that require upkeep to remain operational.
- Most priority facilities are in fair condition; repairs should be timed and targeted based on current activity levels and anticipated future needs to avoid disruptions to Port operations.

FIGURE 2: CURRENT WEST END CARGO IMPROVEMENT PROJECTS

West Port Cargo Complex project

CARGO FACILITIES

The majority of cargo operations occur at West Port between Piers 30 and 41. Upland support facilities include multiple warehouses, two shipside gantry cranes, and onterminal rail infrastructure. Inspections indicate these upland facilities are generally in good condition.

For the first time in decades, the Port is investing significantly in cargo area expansion and marine infrastructure rehabilitation. Improvements underway at the West Port Cargo Complex include:

- Pier 38–39 Slip: A failed slip is being enclosed and filled. A new closure structure will serve as a berth beginning in 2026. Filling operations are scheduled for completion in 2025, followed by required soil settlement periods prior to cargo use.
- Pier 40–41 Slip: A parallel slip closure and berth extension project is underway, with completion of structural components anticipated in mid 2026. Slip filling will be completed in a future phase.
- Grain Elevator Demolition: Removal of a decades old grain elevator has created new developable acreage. Portions of the site are already used for cargo operations, with full clearance expected in 2026.

Combined, these projects will add more than 30 acres of cargo handling space and substantially increase operational efficiency.

CRUISE FACILITIES

The Port currently operates four cruise terminals, serving major brands such as Carnival, Royal Caribbean, Disney Cruise Line, Princess, NCL, and MSC Cruises. Significant improvements were completed since the last master plan update, including modernization of Terminal 25 (2023) and the construction of both Terminal 10 (2022) and Terminal 16 (2025).

Cruise parking is a major operational need in order for the Port to serve the strong regional drive to market, which draws passengers from Texas, the South, and the Midwest. With the addition of Terminal 16, total parking capacity now exceeds 8,200 spaces across surface lots and structured garages. Cruise parking revenues play a key role in supporting broader infrastructure investments, including marine, roadway, and cargo facility improvements.

TABLE 1: CRUISE FACILITIES OVERVIEW

	TERMINAL 28	TERMINAL 25	TERMINAL 10	TERMINAL 16
LOCATION	Mid Port	Mid Port	East Port	East Port
ACRES	11.4	11.7	16.7	24.0
BERTH LENGTH (FT.)	1,125	1,075	1,200	1,400
FACILITY SIZE (SQ. FT.)	145,000	210,000	175,000	175,000
YEAR BUILT	2004*	2000	2022	2025
YEAR RENOVATED	2016	2010, 2023	-	-
PRIMARY USER(S)	Carnival, Disney, Princess	Carnival	Royal Caribbean	MSC, NCL
CONDITION / NOTES	Fair condition; undergoing A/C unit replacement	Good condition; undergoing roof, slab, and overhead walkway improvements	Good condition	Good condition
PARKING**	3,835 Shared Spaces		2,067 Spaces	2,325 Spaces
	400-Space Garage (walkable)		939-Spaces (surface, walkable)	1,600-Space Garage (walkable)
	670-Spaces (surface, walkable)		1,128-Spaces (surface with shuttle)	725-Spaces (surface, walkable)
	2,765-Spaces (surface lots with shuttle)			

**Operations began with a temporary setup in 2002; Terminal 28 was not formally developed into a full cruise terminal until 2004.*
***The port provides employee parking to support ship operations, accommodating approximately 200 employees per vessel call (up to 800 employees during peak operations).*

ROADWAYS & MOBILITY

The Port's roadway network is closely intertwined with the City of Galveston's urban fabric, reflecting the historic growth of the city around the port and the island's constrained geography. Primary access to the Port is provided via Interstate 45 to the north, with Harborside Drive (TX 275) functioning as the principal east–west arterial serving both port operations and adjacent community uses. As a result, port roadways must accommodate a wide range of users—including cruise passengers, cargo traffic, employees, and local traffic—within a shared transportation network.

For decades, roadways throughout the Port were in poor condition, with aging pavement, localized failures, and chronic drainage issues that impaired mobility and safety, particularly during heavy rainfall. Operational conflicts among cruise passengers, cargo trucks, and employees frequently caused congestion, especially at key intersections along Harborside Drive.

Several major roadway improvements are underway. The Wharf Road improvement project is extending Wharf Road through the Port's commercial area to improve internal circulation and reduce dependence on Harborside Drive. The project includes new sidewalks, signalized pedestrian crossings, upgraded traffic signals, and expanded storm sewer capacity. These upgrades improve pedestrian safety and circulation near Cruise Terminals 25–28 and enhance access across the West, Mid, and East Port districts.

The Port is also completing the final phase of its 2-mile internal roadway corridor extending from approximately 10th Street to 41st Street. Once complete, this corridor will form a continuous east–west spine within the Port, reducing internal congestion, improving queuing and access control, and redirecting cruise and cargo movements away from public streets.

In coordination with the City of Galveston and TxDOT, the Port is implementing multimodal safety improvements along Harborside Drive. These include upgraded lighting, accessibility ramps, traffic control enhancements, pavement markings, and wayfinding upgrades at multiple intersections. Additional evaluations are underway to consider traffic calming measures, pedestrian and bicycle enhancements, and future roadway integration with long-range mobility plans.

Despite ongoing improvements, roadway conditions continue to present challenges that will require sustained investment and continued regional coordination.

UTILITIES

The Port manages a network of water, sanitary sewer, storm sewer, electrical, telecommunications, and gas infrastructure that supports cruise, cargo, commercial, and institutional uses across the property. Utility systems have been installed and expanded over time in response to changing operational needs and redevelopment activity.

Utilities are generally available within developed areas of the Port and are maintained as part of ongoing operations. However, infrastructure age and condition vary by location, with some areas served by newer systems associated with recent capital projects and other areas continuing to rely on older utilities.

Utility improvements have typically been incorporated into broader capital projects rather than delivered as standalone initiatives. As a result, utility readiness and documentation differ across the Port, reflecting the location and timing of prior investments.

The Port has made progress in documenting utility assets through its GIS program, though information is not uniformly complete across all utility types and locations.

ENVIRONMENTAL & RESILIENCE

The Port is located adjacent to Galveston Bay, an environmentally sensitive coastal estuary that includes jurisdictional Waters of the United States (WOTUS), tidal wetlands, seagrass habitats, and federally maintained navigation channels, requiring port operations to be undertaken with the necessary environmental stewardship.

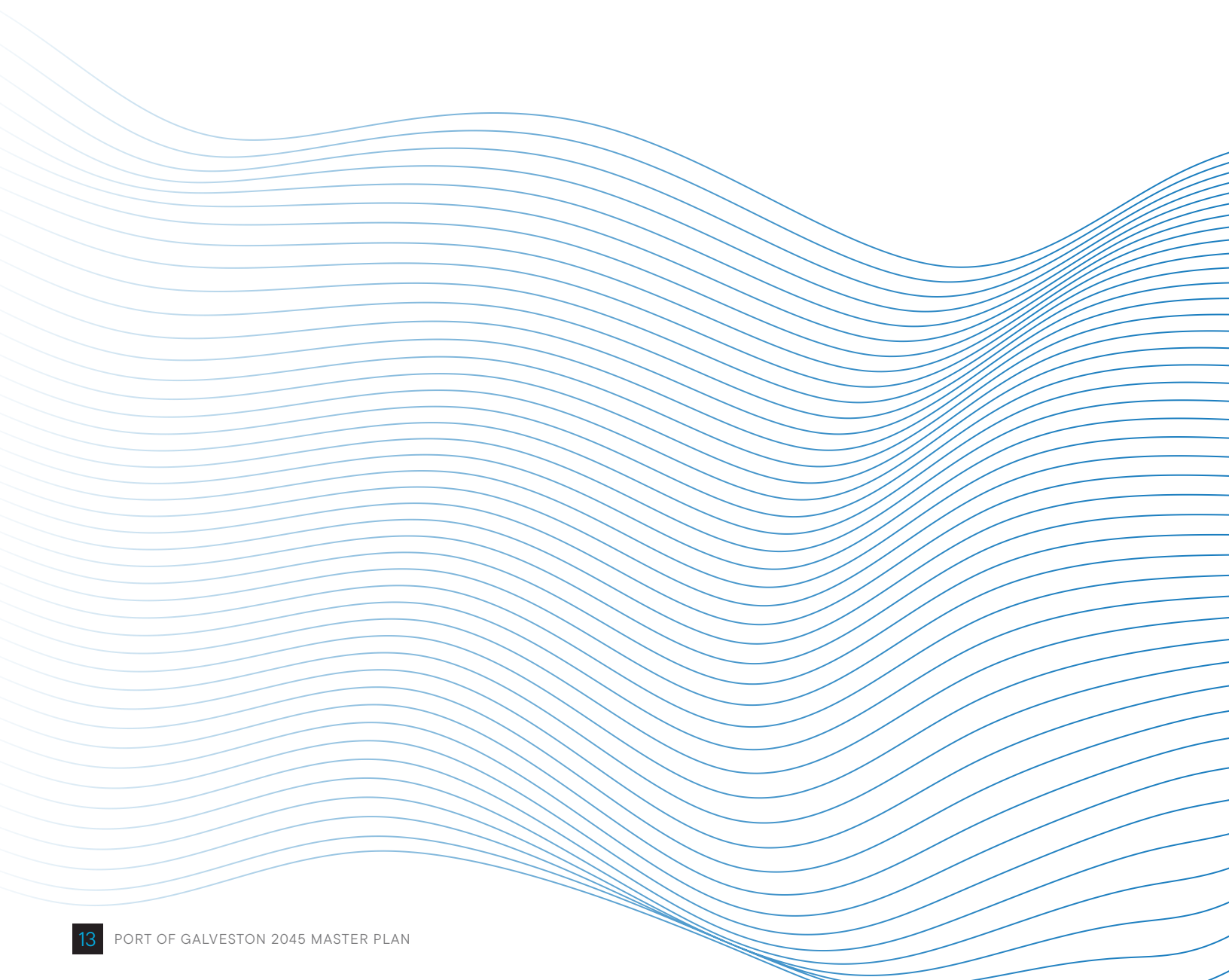
The Port participates in the Green Marine environmental certification program and continues to advance a range of sustainability initiatives, including shore-power planning, EV-charging infrastructure for cruise parking, LEED-certified development, recycling, and beneficial reuse of dredged materials to support wetland restoration and shoreline stabilization. The Port is also engaged in seagrass mitigation efforts and habitat enhancement activities in coordination with regional partners.

Environmental conditions along the waterfront are shaped by hurricanes, tropical storms, storm-surge events, and periodic high-water/king-tide flooding, which can inundate low-lying port areas and stress drainage and stormwater infrastructure. These natural hazards reinforce the need for resilient design and careful planning as the Port maintains and expands its waterfront assets.

The Port's long-range environmental and resilience planning also considers major regional initiatives such as the Coastal Texas Project and the Galveston Bay Park Plan, which aim to reduce coastal storm-surge risk while improving environmental conditions along the Bay. While project timelines and federal funding remain uncertain, these efforts illustrate the broader context in which the Port's environmental considerations must be evaluated.

As the Port moves forward with capital improvements and redevelopment, coordination with regulatory agencies, regional partners, and research institutions remains essential to balancing continued growth with protection of Galveston's sensitive coastal and marine environments.

MARKET OPPORTUNITIES



To understand the strategic direction of the Plan, it was first necessary to understand the market opportunities available to the Port. Comprehensive market studies were conducted across the cargo, cruise, and commercial sectors to evaluate both short- and long-term potential. These studies examined market drivers, regional growth trends, consumer demand, shipping patterns, and competitive dynamics, supported by extensive engagement with existing and prospective customers.

Each potential use or commodity was forecasted to inform the scale and type of facilities that may be required, recognizing that implementation must remain flexible and phased. This approach allows the Port to adapt investments as market conditions evolve—advancing projects when justified by demand and deferring where appropriate to preserve resources.

The findings of these market studies are summarized here. More detailed analyses are published separately, along with summaries of presentations delivered during the initial phases of the planning process.

CARGO OPPORTUNITIES & FORECASTS

The composition of the Port of Galveston's cargo market has shifted over the years and reflects global trends, competition and demand. Since the prior Master Plan, the Port's grain business was impacted by the loss of the Del Monte refrigerated business and the closure of the ADM grain facility. Despite the discontinuation of these cargo types, remaining commodities handled at the Port have shown growth—primarily driven by increased liquid bulk tonnage at Pelican Island. Other key commodities include autos at Pier 10, as well as roll-on/roll-off (RoRo) cargo, wind energy components, general cargo, and fertilizer handled at the West Port Cargo Complex.

The Port competes against other regional ports, specifically Houston, Freeport, Texas City, Corpus Christi and Lake Charles for market share, particularly for discretionary cargoes such as general, break bulk, RoRo, and project cargoes. These cargoes require adequate terminal acreage, and competing ports, for example Port Freeport, boast land availability. In order to remain competitive, the Port of Galveston must continue to invest in capital development projects—such as the West End Cargo Complex expansion project—that will enhance terminal and berth capacity and efficiency and allow for projected cargo volumes to be realized. Improvements to rail and road infrastructure are also critical to accessing markets and maintaining current market share and in attracting and converting potential cargo opportunities.

The outlook for the current commodity base remains promising.

- Capital equipment upgrades to fertilizer terminal will improve efficiency and boost near-term throughput.
- The potential growth in RoRo and general cargo markets can be accommodated by additional contiguous acreage from the ongoing West Port Cargo Complex rehabilitation.
- Liquid bulk growth on Pelican Island is expected, assuming channel depth is maintained.
- Longer term, wind energy cargo remains uncertain. Over the past decade, federal tax credit expirations have threatened projects, and recent legislation under the Trump Administration, including the One Big Beautiful Bill Act, may further impact future imports.
- If wind energy cargo declines, the Port of Galveston is well positioned to attract other breakbulk commodities such as lumber, aluminum, steel, and non-ferrous metals—all of which represent viable opportunities the Port should actively pursue.

2025 CARGO SNAPSHOT

IN TONS

2.1M
LIQUID BULK

444K
RORO

40K
AUTOS/VPC

32K
WIND

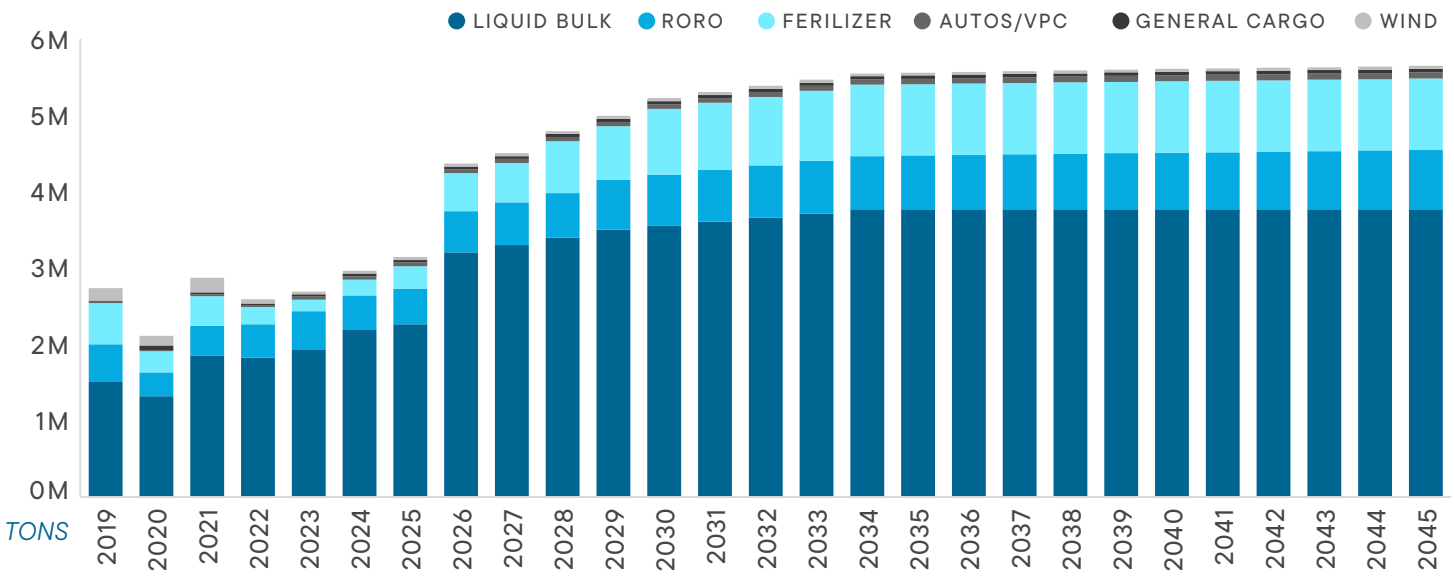
57K
GENERAL CARGO

Under the mid-point cargo forecast scenarios, FIGURE 3 presents projections assuming wind energy cargo continues in some capacity, with total tonnage reaching 5 million tons by 2029 and exceeding 5.6 million tons over the forecast period.

In contrast, FIGURE 4 presents mid-point forecasts exclusively for potential breakbulk commodities that could replace wind energy cargo. Existing commodity forecasts—such as liquid bulk, RoRo, fertilizer, autos/VPCs, and general cargo—remain unchanged as shown in FIGURE 3, but are excluded from this graph to focus solely on new opportunities.

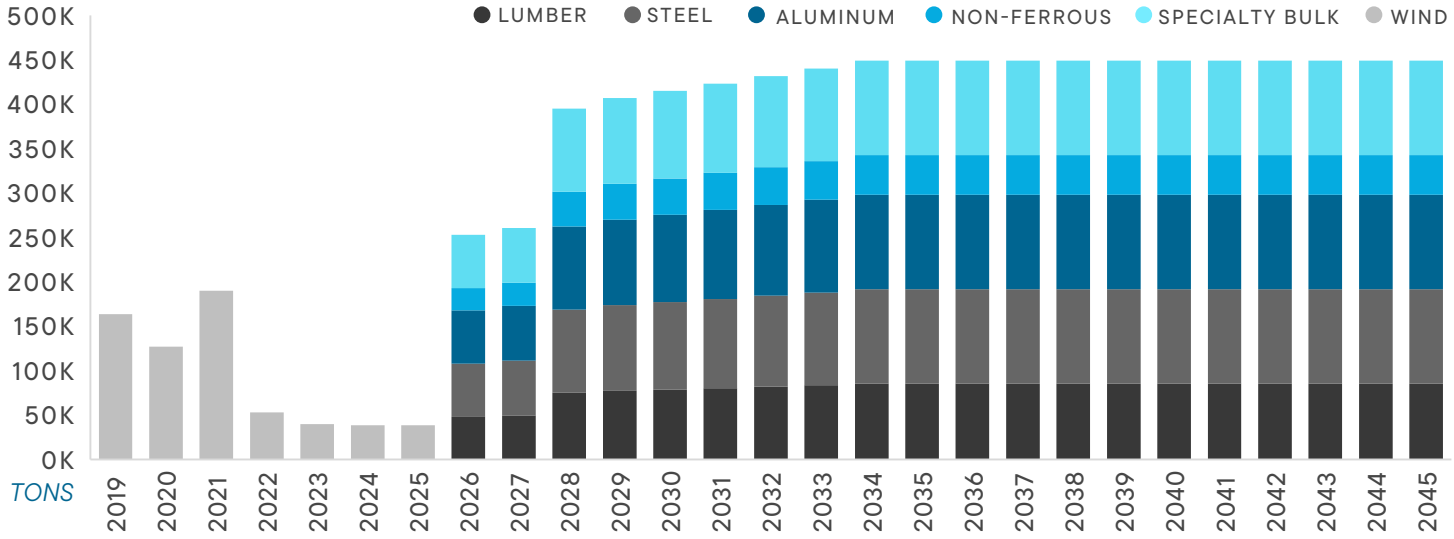
BASED ON THE MARKET ASSESSMENT, THE PORT IS WELL POSITIONED TO GROW TOTAL CARGO TONNAGE THROUGH BOTH EXISTING AND EMERGING BREAKBULK COMMODITIES.

FIGURE 3: EXISTING BASE CARGO, MID FORECAST



Source: Martin Associates

FIGURE 4: POTENTIAL NEAR-TERM BREAKBULK OPPORTUNITIES, MID FORECAST



Source: Martin Associates

PELICAN ISLAND

Given Pelican Island's lack of logistics infrastructure—specifically commercial truck limitations and no rail access—future near-term development of the site is challenging. Traditional industrial developments at Gulf Coast ports require inland transportation modes, such as road or rail, to handle inbound raw materials and outbound finished products. To participate in these large-scale development trends, Pelican Island would need adequate truck and rail capabilities. Therefore, this scale of development appears to be more feasible in the long-term, following the completion of a new bridge.

In the near-term, development at Pelican Island should focus on leveraging existing assets—specifically, the established ship repair operations at the Gulf Copper property (with Davie Shipbuilding assuming the lease), and the potential to barge in/barge out liquid bulk similar to PISTI operations, with an emphasis on LNG bunkering.

TABLE 2: PELICAN ISLAND DEVELOPMENT OPPORTUNITIES

CATEGORY	NEAR-TERM	LONG-TERM*
Rail & Truck Access	No	Yes
Access	Utilize float-in/float-out capabilities for feedstock, materials, and finished products	Utilize truck and rail access for feedstock and finished products
Opportunities	• Shipbuilding/ship repair: high economic impact, job creation, aligns with current administration priorities, potential for federal grants and defense funding • LNG fueling: maritime LNG is a growing market sector	• Traditional Gulf Coast production: methanol, ethane crackers, fertilizer, pipe manufacturing, resins/plastics • Emerging markets: lithium, rare earth processing, advanced manufacturing
Investment	Private investment, DFI opportunities	Private investment, DFI opportunities

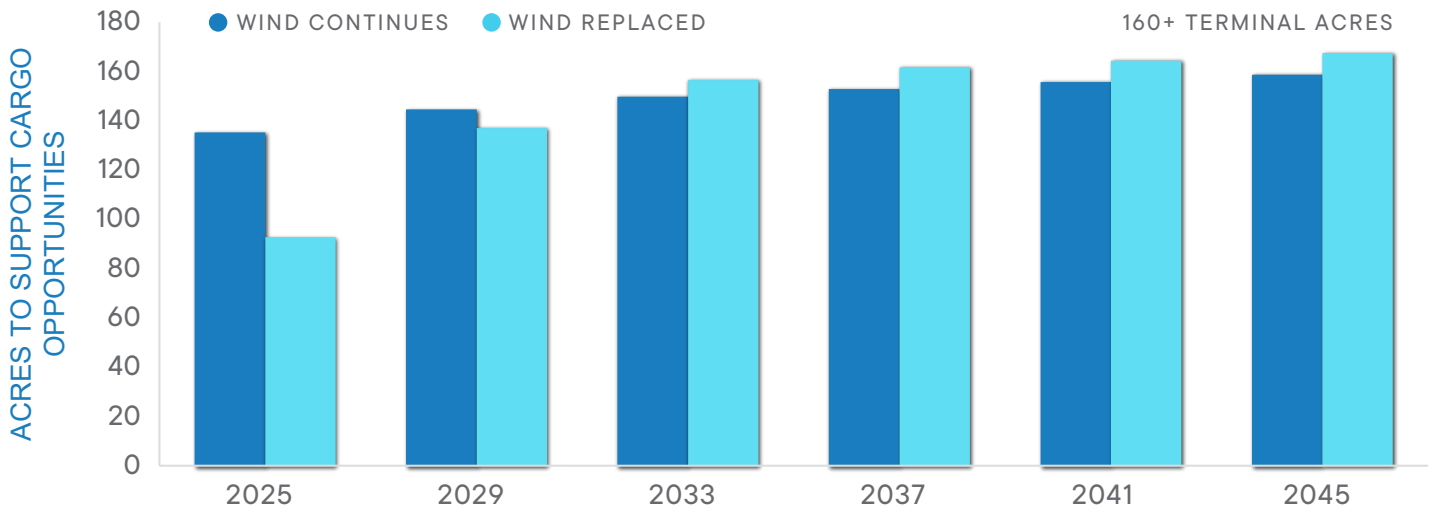
* Contingent on timeline for new bridge and rail infrastructure

CARGO INFRASTRUCTURE NEEDS

Translating cargo demand into actionable insights is critical to guiding the Port of Galveston's master planning efforts. To accommodate anticipated growth in both existing base cargoes and potential new opportunities, the Port is projected to require 160–170 acres of cargo terminal area under the mid-scenario forecasts by 2045, as shown in FIGURE 5. In addition to acreage demands, FIGURE 6 illustrates the corresponding cargo berth demand, which will necessitate three cargo berths at the West End Cargo Complex.

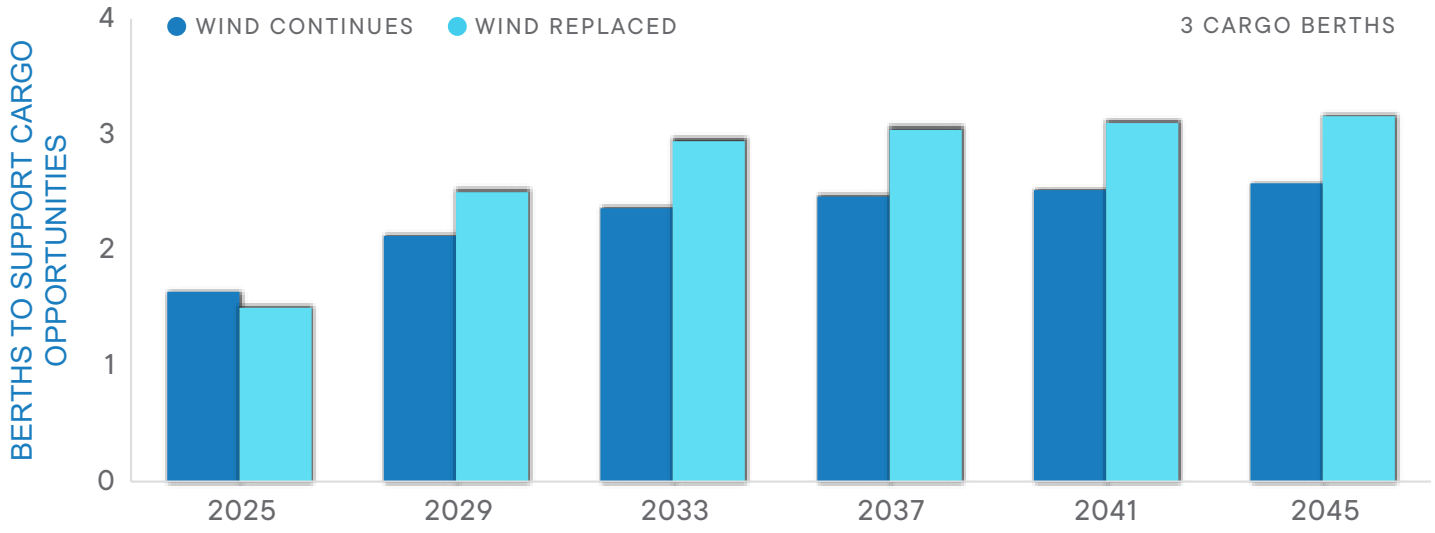
Building on the infrastructure needs and forecasted cargo demand, several strategic actions emerge from the market study to guide short- and long-term planning. These considerations aim to position the Port of Galveston to capitalize on near-term opportunities while laying the groundwork for sustained growth and competitiveness.

FIGURE 5: CARGO ACREAGE DEMAND, MID FORECASTS



Source: Martin Associates

FIGURE 6: CARGO BERTH DEMAND, MID FORECASTS



Source: Martin Associates

STRATEGIC CONSIDERATIONS: CARGO

SHORT TO MID-TERM

Partner with terminal operators to market to underserved cargo segments, particularly RoRo

Prepare for the potential discontinuation of wind energy cargo

Continue rehabilitation and expansion of the West Port Cargo Complex, including infrastructure for heavy-lift and installation of a rail spur along the berth for direct transfer

Maintain channel dredging and ensure capacity at dredge disposal sites to support bulk cargo users

Develop plans for special handling requirements for new opportunities (e.g., on-dock covered storage, warehousing)

LONG-TERM

Plan for up to 160+ terminal acres and 3 cargo berths as demand warrants

Design flexible terminal acreage to capture emerging opportunities

Collaborate with regional and state stakeholders to advance road and rail bridge access to Pelican Island

Identify potential cargo expansion zones and access solutions (e.g., south of Harborside Drive)

CRUISE OPPORTUNITIES & FORECASTS

The Port of Galveston serves the broader Caribbean cruise market and ranks as the fourth largest U.S. homeport for Caribbean itineraries. Passenger deployments are concentrated across key subregions: the Bahamas accounts for 36% of total passenger movements, followed by the Western Caribbean at 31% and the Eastern Caribbean at 22% (FIGURE 7).

Galveston's cruise business is heavily focused on the Western Caribbean, with 92% of its sailings serving this region. This positions the Port as the primary Gulf Coast gateway for Western Caribbean itineraries. In 2025, Galveston captured 32% of all Western Caribbean sailings, the largest share among all Caribbean homeports, supported by the deployment of the industry's largest vessels.

While these strengths reinforce Galveston's leadership position, the Port operates within a highly competitive homeport landscape. Major U.S. competitors—including Port Canaveral, Miami, Fort Lauderdale, Tampa, and New Orleans—continue to expand capacity, attract new vessel deployments, and invest in terminal upgrades. Their ongoing investments influence cruise line deployment decisions, particularly for the largest vessels, which can shift between Gulf and East Coast ports based on infrastructure readiness, operating costs, and passenger sourcing strategies. Maintaining Galveston's competitive edge will therefore require staying aligned with industry expectations for berth capacity, terminal performance, parking, traffic flow, and guest experience.

At the same time, Galveston benefits from exceptionally strong industry fundamentals, including:

- State of the art cruise infrastructure
- Proximity to open waters
- A robust drive market catchment of more than 46 million people within an eight hour radius
- Year round cruise operations
- Established agreements with top global cruise brands that guarantee significant passenger volumes and recurring revenue

2025 CRUISE SNAPSHOT

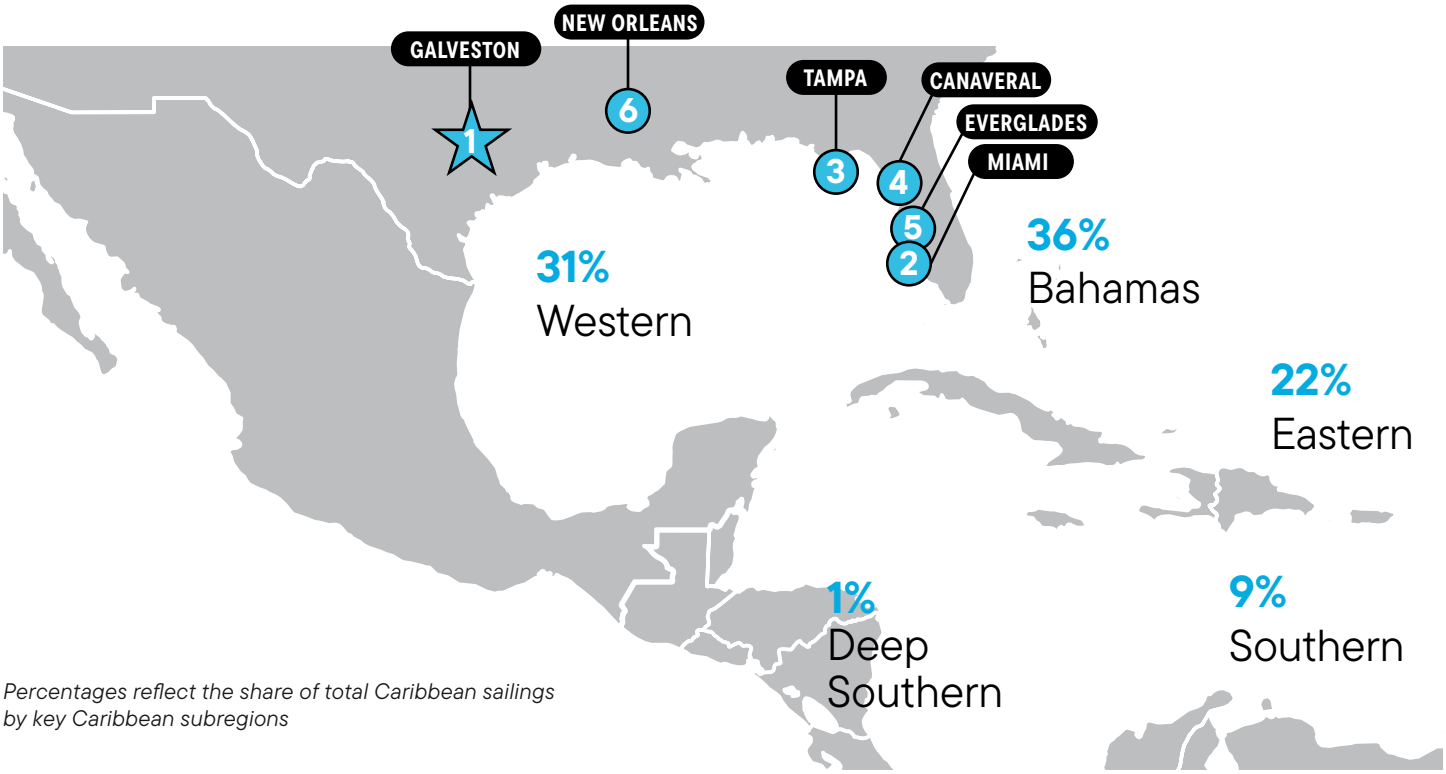
3.6M
REVENUE PASSENGERS

415
CRUISE CALLS

227K
VEHICLES PARKED

4
CRUISE FACILITIES

FIGURE 7: TOP WESTERN CARIBBEAN HOMEPORTS



Percentages reflect the share of total Caribbean sailings by key Caribbean subregions

The market analysis confirms Galveston's alignment with favorable industry trends, including:

- New vessel deployments
- Ongoing investments in Caribbean homeports and ports of call
- Specific investments in Western Caribbean destinations over the next three years (plus)
- Rising demand for short cruises to maximize berth utilization and increase vessel calls
- Expanding fleets from existing operators with larger ships
- Emerging cruise brands entering the region

Galveston's historical performance stresses its strong competitive position and validates its capacity to capture future cruise demand. Since 2019, the Port has added 1.4 million revenue passengers—growth driven by strategic investments in two new modern cruise facilities and significant enhancements to an existing terminal that now support deployment of the industry's largest vessels.

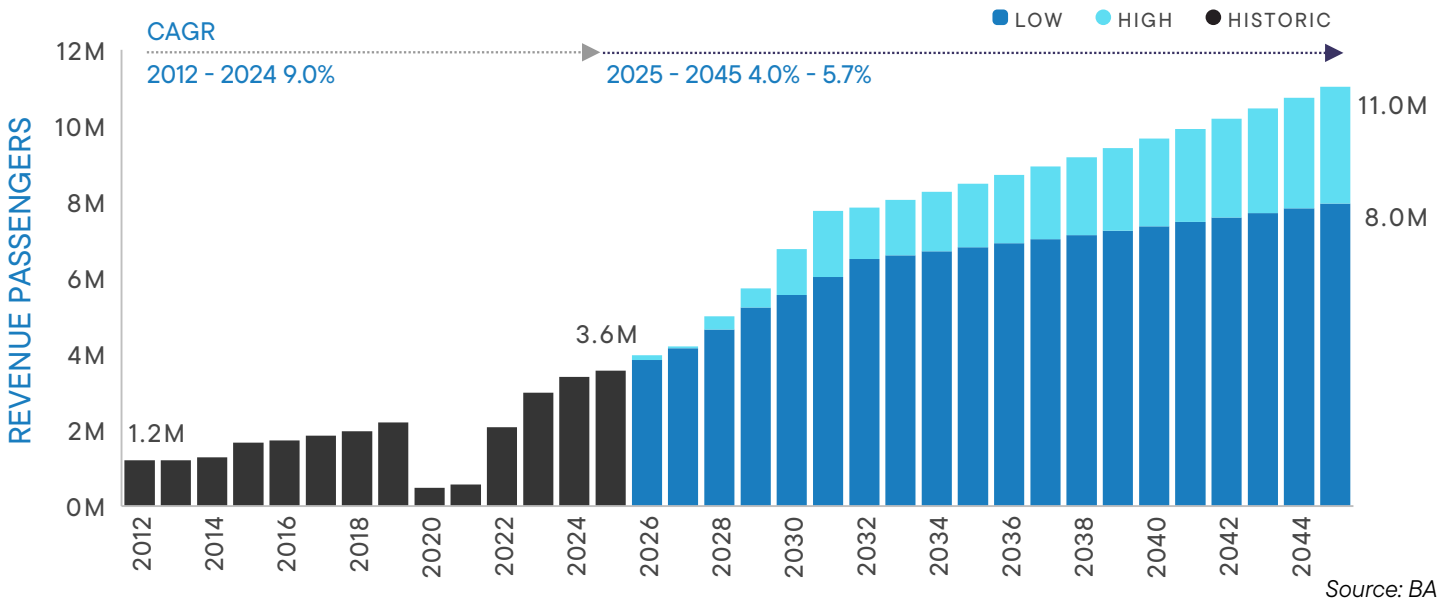
Alongside these facility expansions, Galveston has experienced sustained growth in vessel size. Average lower berths per call have increased at a 2% CAGR since 2012, with sharper acceleration post 2019 as operators deployed their newest and largest ships to the Port. As a result, Galveston's vessel mix now includes some of the highest capacity cruise ships in the global fleet.

This consistent growth, coupled with operator diversification and the ability to service next generation vessels, solidifies Galveston's status as one of North America's premier cruise homeports.

Passenger forecasts for the Port of Galveston reflect a range of outcomes based on varying levels of market success. By 2045, annual revenue passengers are projected to reach between 8.0 million and 11.0 million, equating to approximately 755 to nearly 1,000 vessel calls per year.

Importantly, these forecasts are unconstrained—they do not account for potential limitations such as berth capacity, utilization rates, or constraints at Caribbean or downstream ports.

FIGURE 8: GALVESTON CRUISE FORECASTS



Source: BA

CRUISE INFRASTRUCTURE NEEDS

Many of the Port's future opportunities stem from the projected growth of the Caribbean cruise industry overall. A key objective of this market assessment is to translate projected passenger growth into berth and facility needs over the planning horizon. This process allows the Port to identify the scale, characteristics, and timing of investments required to accommodate future demand, ensuring resources are aligned with evolving market conditions.

Importantly, berth demand forecasts are informed not only by passenger growth projections, but also by assumptions regarding increased utilization of existing cruise facilities, reflecting opportunities to operate current assets more efficiently before advancing new infrastructure.

However, significant costs are associated with bringing new cruise infrastructure online, and the trade-offs are complex—particularly within a berth-constrained environment and considering the Port's broader business priorities.

Additional growth can also result in berth congestion during peak weekends, and greater infrastructure demands tied to more frequent sailings and rising parking needs. As such, the timing of future investments must remain closely aligned with market demand, with flexibility to adapt as conditions evolve. Periodic reassessments of cruise growth, deployment patterns, and demand indicators—alongside continued coordination with key cruise line partners—will be essential to ensure that new facilities are advanced only as warranted.

Addressing these operational challenges through phased, demand-driven investments will be critical to maximizing Galveston's long-term potential. A flexible, market-aligned approach will allow the Port to adapt as conditions evolve, sustain its competitive advantage, and ensure its cruise infrastructure continues to meet the needs of the Gulf Coast and broader Caribbean markets.

STRATEGIC CONSIDERATIONS: CRUISE

SHORT TO MID-TERM

Plan for a 5 to 6 cruise berth operation

Optimize existing facilities and control operating costs

Explore public-private partnerships (PPPs) to share risk and investment

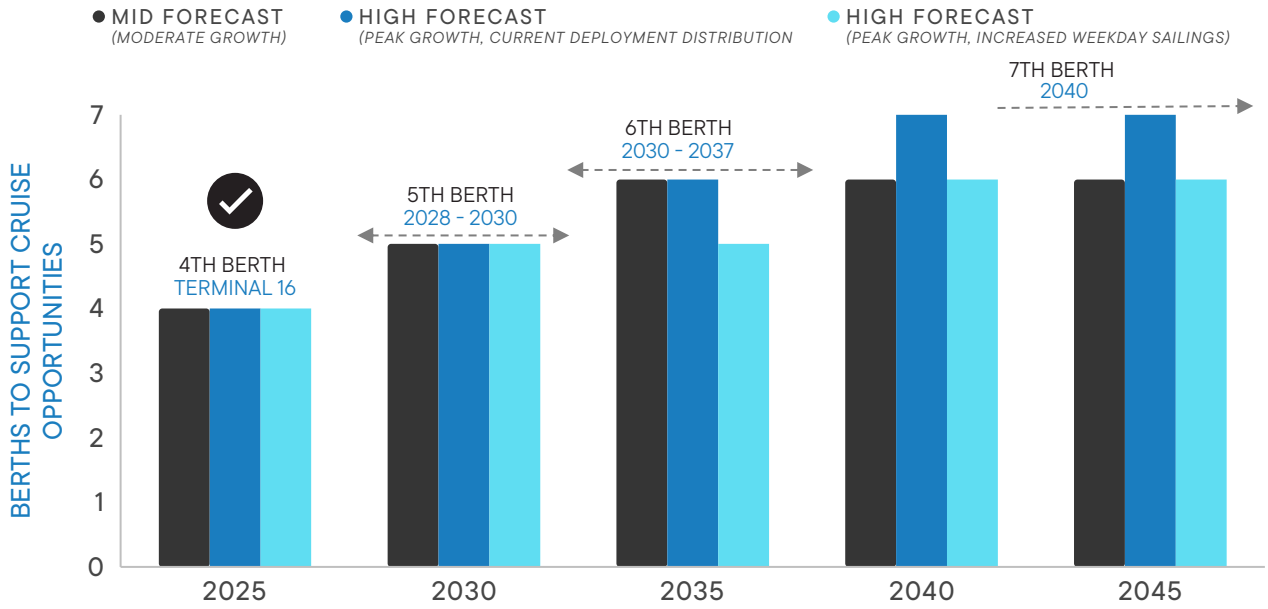
LONG-TERM

Plan for up to 6 to 7 cruise berths as demand warrants

Reassess existing terminals to accommodate shifts in passenger volumes and integrated parking needs

Design future facilities to accommodate larger vessels (1,400 ft. LOA; 8,000+ passengers; 250,000 GT) with parking scaled to align with historical passenger-to-parking demand ratios

FIGURE 9: GALVESTON CRUISE BERTH DEMAND



COMMERCIAL OPPORTUNITIES & FORECASTS

As part of the master planning effort, a commercial assessment was conducted to evaluate Port-owned properties that are not well-positioned for maritime or industrial users but may offer strategic opportunities to support the Port's broader business objectives. These sites are considered ancillary in that they can complement the Port's core operations through uses that enhance the cruise passenger experience or support adjacent sectors, such as hospitality, retail, and residential.

Galveston's ongoing cruise growth is expected to stimulate demand for non-industrial commercial development, particularly in retail, hotel, and multifamily sectors adjacent to the Port's cruise operations. These opportunities are largely driven by increased passenger volumes forecast through 2045, with additional demand stemming from the Port workforce, healthcare sector, and broader tourism activity.

The market analysis confirms Galveston's key commercial opportunities include the following:

RETAIL

Cruise passenger growth is projected to generate demand for approximately 516,000 additional square feet of retail space by 2040. Harborside Drive remains the most viable corridor, offering opportunities for both Port-owned and private properties. Realizing this potential will require reimagining Harborside as a pedestrian-friendly, two-sided retail corridor with flood elevation considerations addressed through coordinated efforts with the City and other partners.

MULTIFAMILY RENTAL

Multifamily demand remains modest but steady, supported by Port activity, the historic district, and the island's healthcare sector. An additional 200–300 units along Harborside Drive every 3 to 5 years is achievable, targeting hospital and Port workers. Site selection will need to balance proximity to Port operations while minimizing traditional port/residential conflicts.

HOTEL

Hotel demand is a bright spot in the market, driven almost entirely by cruise passenger activity. While most new development will occur across the island and mainland Galveston County, demand exists to support one to two limited-service hotels (100–125 rooms) and one full-service hotel (200+ rooms) near the cruise terminals through the planning period. Facilitating this development will require proactive land use planning, zoning alignment, and potential public-private partnerships.

STRATEGIC CONSIDERATIONS: COMMERCIAL

SHORT TO MID-TERM

Establish bi-annual passenger surveys to guide retail, hotel, and residential market decisions

Advance Harborside Drive as a mixed-use retail corridor through targeted streetscape, access, and flood mitigation improvements to support long-term retail redevelopment

Facilitate opportunities for 1–2 limited-service hotels (100–125 rooms) targeted to cruise passenger demand

Encourage phased multifamily residential development (200–300 units every 3–5 years) to support workforce housing tied to port and healthcare sectors

LONG-TERM

Redevelop Harborside Drive as a true retail corridor, fostering a walkable, two-sided retail environment

Support development of a full-service hotel (200+ rooms) in proximity to cruise terminals as demand matures

Coordinate long-range land use planning to ensure compatibility between Port operations and mixed-use growth

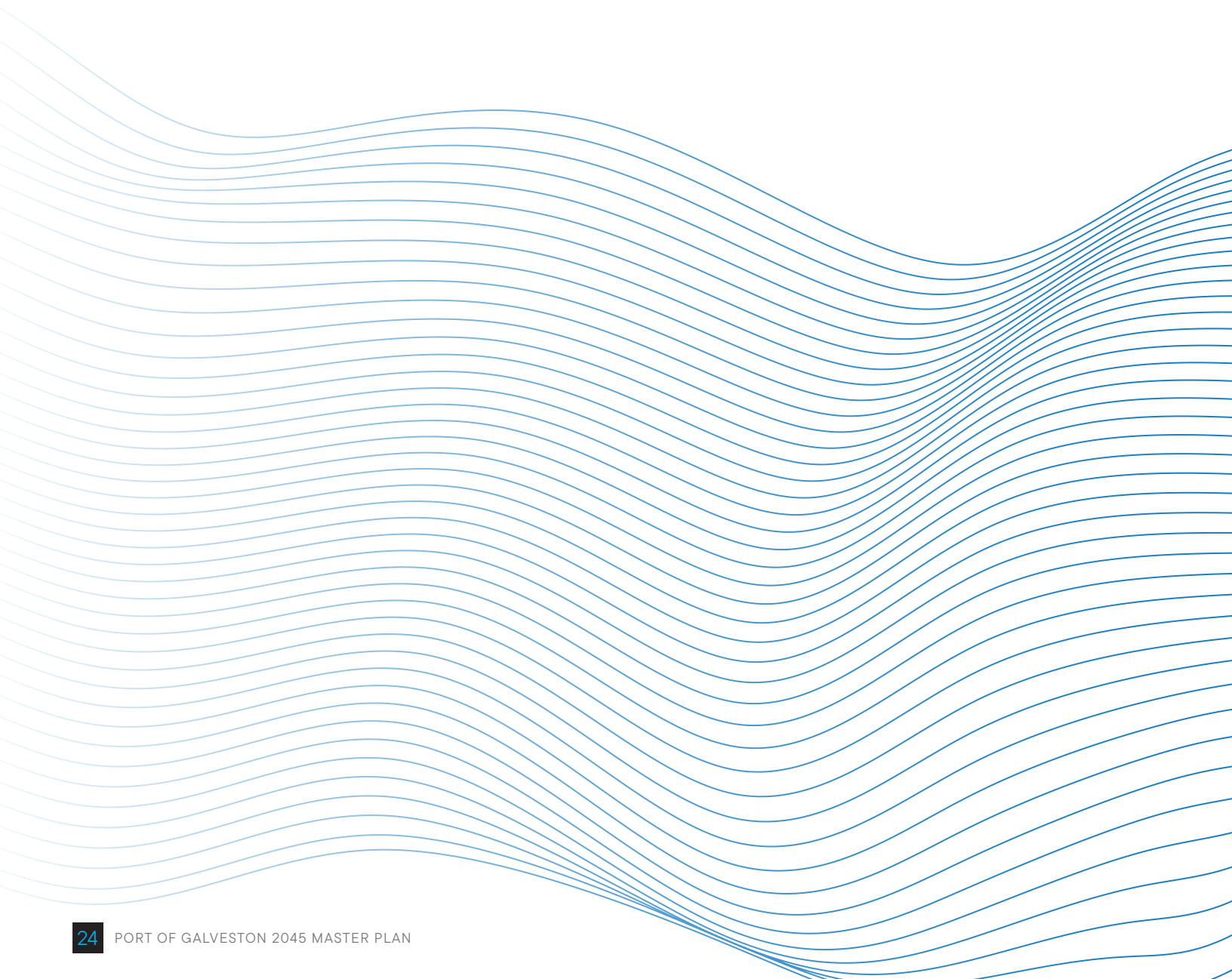
Maintain flexibility to adjust development timing based on market demand and investor interest

SUMMARY OF OPPORTUNITIES AND NEEDS

The market assessments were undertaken to inform the Port of Galveston's long-term planning and to evaluate potential opportunities across major business sectors. These findings represent recommended areas of focus and the most promising avenues for future growth. Actual implementation will be guided by port priorities, community objectives, and the pace at which market demand emerges.

MARKET	OPPORTUNITY	NEW FACILITIES / STUDIES NEEDED
CARGO / INDUSTRIAL	While cargo volumes fluctuate year-to-year based on market demand and macroeconomic trends, there is steady long-term growth potential across fertilizer, autos (VPC), RoRo, general cargo, liquid bulk, and wind energy. The planned development of Pelican Island presents a significant opportunity to expand cargo capabilities, attract new tenants, and alleviate space constraints in the existing port area. Providing flexibility for future uses will be critical, ensuring the Port can adapt to the ebbs and flows of global trade and shifting market demand.	**GALVESTON ISLAND** • Bulkhead repairs/replacement • 3 cargo berths (west end) • 160–170 acres • Centralized cargo yard • On-dock rail access • Consolidation of existing rail yards • Develop sites for new warehousing to serve general cargos • Allow for flexible lot configuration **PELICAN ISLAND** • Near-term: 100+ acres for shipyard and LNG/ fueling • Long-term (rail & truck access): bridge improvements to support rail and truck access, general cargo terminal, and areas to support future opportunities in Gulf Coast production, emerging markets, and advanced manufacturing
CRUISE	As cruise lines continue to expand deployments in the Gulf region, there is sustained long-term growth potential for the Port to capture additional market share. Realizing this opportunity will require proactive planning to expand berth capacity and address related operational challenges, including traffic circulation and parking to support both existing and future terminals.	• Detailed mobility study • 5th cruise berth & parking (by 2028) • 6th cruise berth & parking (mid-2030s) • 7th cruise berth & parking (long-term, 2040s+) • Internal traffic circulation to serve existing and new terminals
COMMERCIAL	Continued growth in the cruise sector, combined with Port operations and broader regional tourism, is expected to generate long-term demand for non-industrial commercial development. Key opportunities include expanded retail, hospitality, residential, and public-realm improvements to support visitors, the Port workforce, and the local community.	• Urban development, parks, and pedestrian access/ walkways along the waterfront • 600K sq. ft. of additional retail space (by 2040) • 1–2 limited-service hotels (mid-term, 100–125 rooms) • 1 full-service hotel (long-term, 200+ rooms) • 200–300 multifamily units along Harborside Drive every 3–5 years

PREFERRED STRATEGIC PLAN



STRATEGIC PILLARS

The preferred plan results from a comprehensive planning process informed by market opportunities, stakeholder input, and multiple iterative alternative scenarios. From this process, five strategic pillars emerged to guide the development of the plan, ensuring it reflects both market realities and community priorities.

Key considerations included the Port's relationship with the community, the relevance of all of the Port's business opportunities, and the strategic role of Pelican Island. These scenarios were reviewed and refined through stakeholder feedback and a detailed analysis of trade-offs, costs, and benefits. All current leases were respected, ensuring recommendations align with existing tenant agreements while providing flexibility for future growth.

Additionally, the Port of Galveston operates in the naturally challenging maritime environment where operations are influenced by factors beyond its control, including global market fluctuations, trade policies, natural disasters, and unexpected events such as the pandemic. Over time, traditional commodities like grain and fruit have disappeared, replaced by emerging opportunities such as wind cargo—though even these rely on federal programs and subsidies that may not be permanent. These shifts underscore the importance of adaptability and proactive planning.

To remain competitive and resilient, the Port must also be financially strong and forward-thinking. Financial strength enables the Port to borrow for large capital projects, secure grants, and partner with third-party stakeholders to invest in key initiatives. Cash reserves are essential to weather economic downturns and unforeseen events.

The preferred plan integrates this context and defines a flexible approach to growth, creating opportunities for tenants to expand, generate jobs, and strengthen Galveston's economy. This vision is supported by a phased implementation and capital investment strategy designed to guide development and amplify long-term benefits for the region. Assuming land can be logically reassembled, the preferred plan allows the Port to accommodate all projected growth within its existing footprint.

In the short term, the plan establishes a five-year capital investment program guided by mid- and long-term (20-year) Vision Plans. While the plan identifies key opportunities and investment areas, it does not authorize specific projects. All future capital projects will be subject to individual review and approval by the Port's governing body. Highlights of the plan are outlined in the subsequent sections.

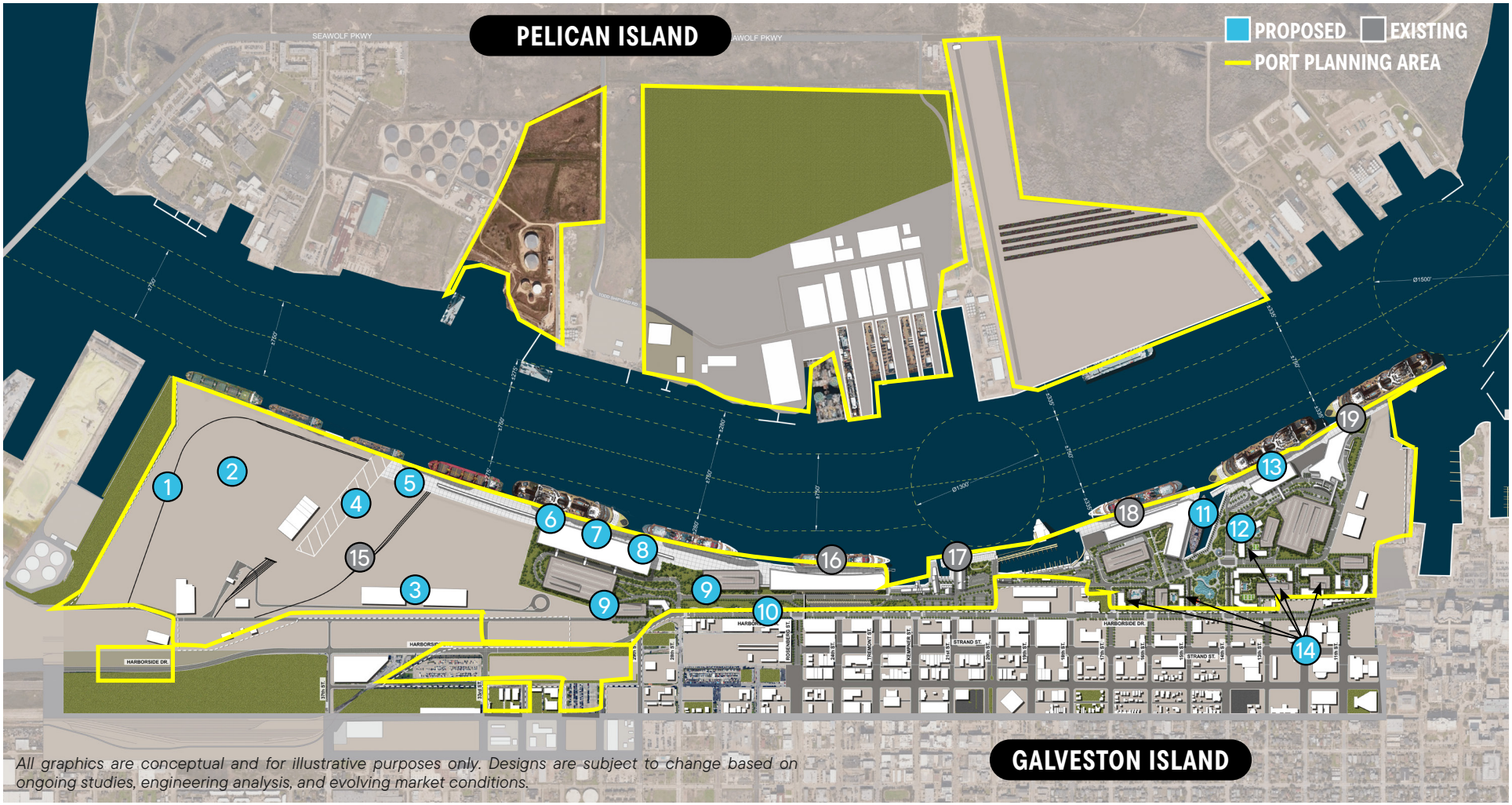
FOUNDATIONS FOR FUTURE PLANNING

To translate the Preferred Strategic Plan into actionable investment priorities, the Master Plan synthesizes existing conditions across land use, infrastructure, facilities, and environmental considerations. The following summary identifies key portwide conditions, strategic implications, and priority focus areas that directly inform the capital program and implementation strategy.

A core objective of the Port of Galveston Master Plan is to optimize land use and leverage existing assets by repurposing underutilized berths and facilities. Through this lens, the following key opportunities have been identified as priorities for improvement. Addressing these areas will help the Port operate more efficiently, support future growth, and enhance overall resilience.

CATEGORY	KEY CONDITIONS & STRATEGIC IMPLICATIONS	IMPROVEMENTS / STUDIES NEEDED
LAND USE & FACILITIES	• Continued modernization needed in cargo and marine support areas • Balance required between cruise growth and industrial land protection • Large-scale redevelopment potential on Pelican Island	• Targeted redevelopment of underutilized piers • Upland and marine infrastructure planning • Pelican Island access feasibility (bridge/rail)
MARINE STRUCTURES	• Years of deferred maintenance have resulted in aging piers, roadways, and utility systems that require targeted reinvestment • Sustained capital investment required to maintain competitiveness	• Continued bulkhead rehabilitation program / slip filling • Long-term marine structure modernization plan
CARGO FACILITIES	• Increased acreage strengthens cargo competitiveness • Need to integrate new cargo acreage with rail, circulation, and utility upgrades • Reinforces need for modern gate, queuing, and roadway systems	• Cargo yard plan for new acreage • Rail consolidation & modernization • Yard grading, paving & drainage upgrades
CRUISE FACILITIES & PARKING	• Strong revenue engine supporting wider Port reinvestment • Must proactively address traffic, staging, and future berth demand • Need to manage cruise–cargo conflicts along Harbor-side and internal roads	• Terminal and parking expansion/modernization program • Signage, wayfinding, and passenger mobility upgrades
ROADWAYS & MOBILITY	• Mobility is a major limiting factor for both cruise and cargo growth • Traffic conflicts impact efficiency, safety, and community relations • Long-term solutions require City/TxDOT partnership	• Comprehensive internal mobility study • Expand interior roadway • Drainage and pavement rehabilitation program
UTILITIES	• Need for utility resiliency to support cruise and cargo modernization	• Comprehensive evaluation of water, sewer, power, and telecom systems to identify deficiencies and guide future upgrades
ENVIRONMENTAL & RESILIENCE	• Environmental compliance tightly linked to capital project phasing • Must coordinate with regional projects to avoid misalignment	• Habitat and mitigation strategy for future development • Coordination framework for Coastal Texas Project and Galveston Bay Park Plan (flood resilience)

FIGURE 10: PORT OF GALVESTON STRATEGIC MASTER PLAN



1. New On Dock Rail
2. Central Cargo Yard Improvements
3. New Warehouses
4. Slip Fill
5. Flex Berth *(Cargo/Cruise)*
6. Cruise Terminal 7
7. Cruise Terminal 6
8. Replacement Cruise Terminal 28
9. New Parking Garage
10. Waterfront Greenbelt
11. USS Texas Museum & Park
12. Public Waterfront Access
13. New Cruise Terminal 14 & Parking Garage
14. Urban Development *(Hotel, Commercial, Retail, Residential)*
15. Existing Rail
16. Terminal 25
17. Existing Commercial Properties
18. Terminal 16
19. Terminal 10

CRUISE PROGRAM

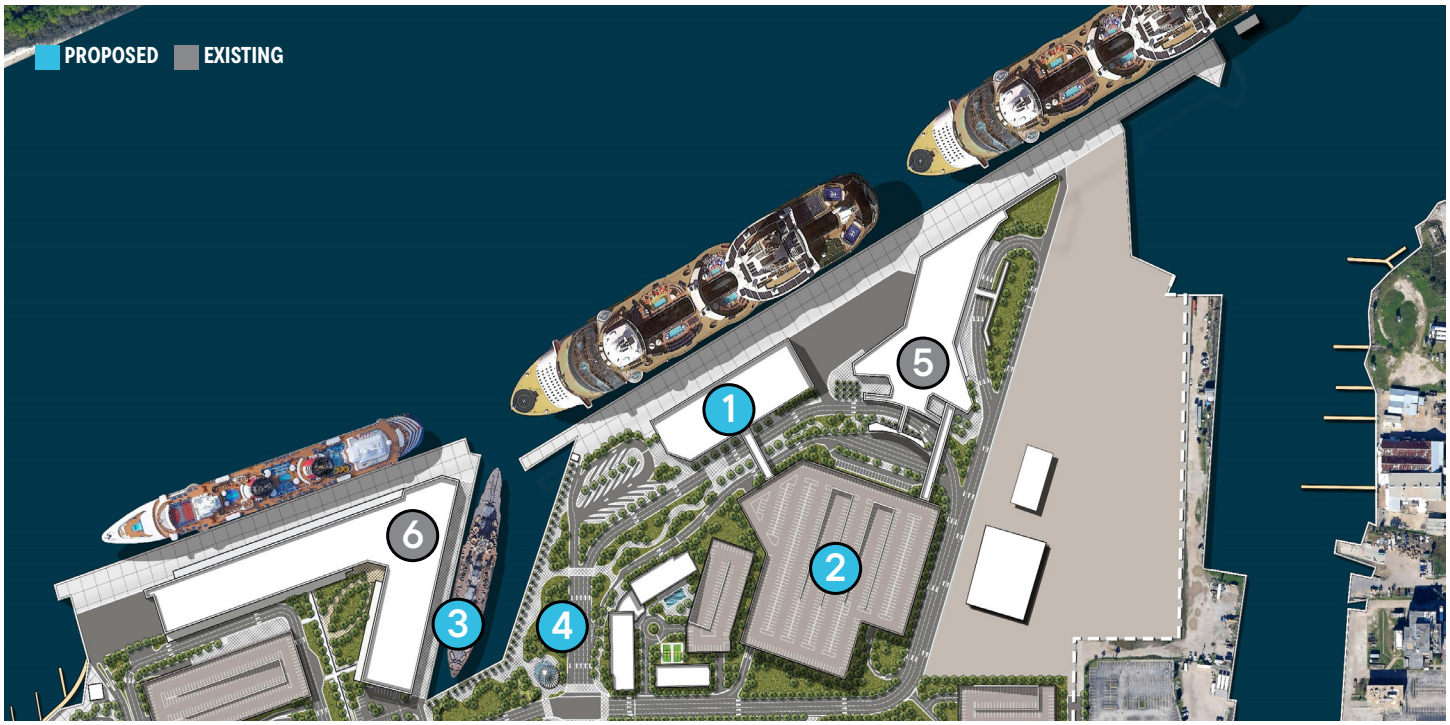
The success of the Port's cruise program has been nothing short of spectacular. In just a few years, the Port has become the fourth largest cruise port in the world and the largest cruise port in the Gulf, with the potential to rise even further in the near future. Strategic investment by the Port has enabled this growth, driven by larger vessels, expanding Gulf itineraries, a strong drive market, and sustained demand from major cruise lines. The Port's new cruise terminals are state of the art, highly efficient, and consistently receive top marks in passenger satisfaction surveys. This rapid expansion brings both new opportunities and new challenges, and this Master Plan presents a balanced approach to address both.

To capitalize on the opportunities ahead, the plan provides for additional cruise berths, modern terminal facilities, and expanded parking. To address emerging issues, the plan outlines improved mobility measures that redirect traffic away from residential areas, the development of a robust public waterfront, new commercial opportunities that enhance economic impact for the community, and further investments to build a world class waterfront experience for Galveston.

The cruise program delivers these improvements through a phased sequence of new terminals, berth enhancements, and supporting infrastructure. This approach ensures the Port can efficiently process higher passenger volumes, accommodate next generation vessels, and remain competitive as the premier Gulf Coast homeport.

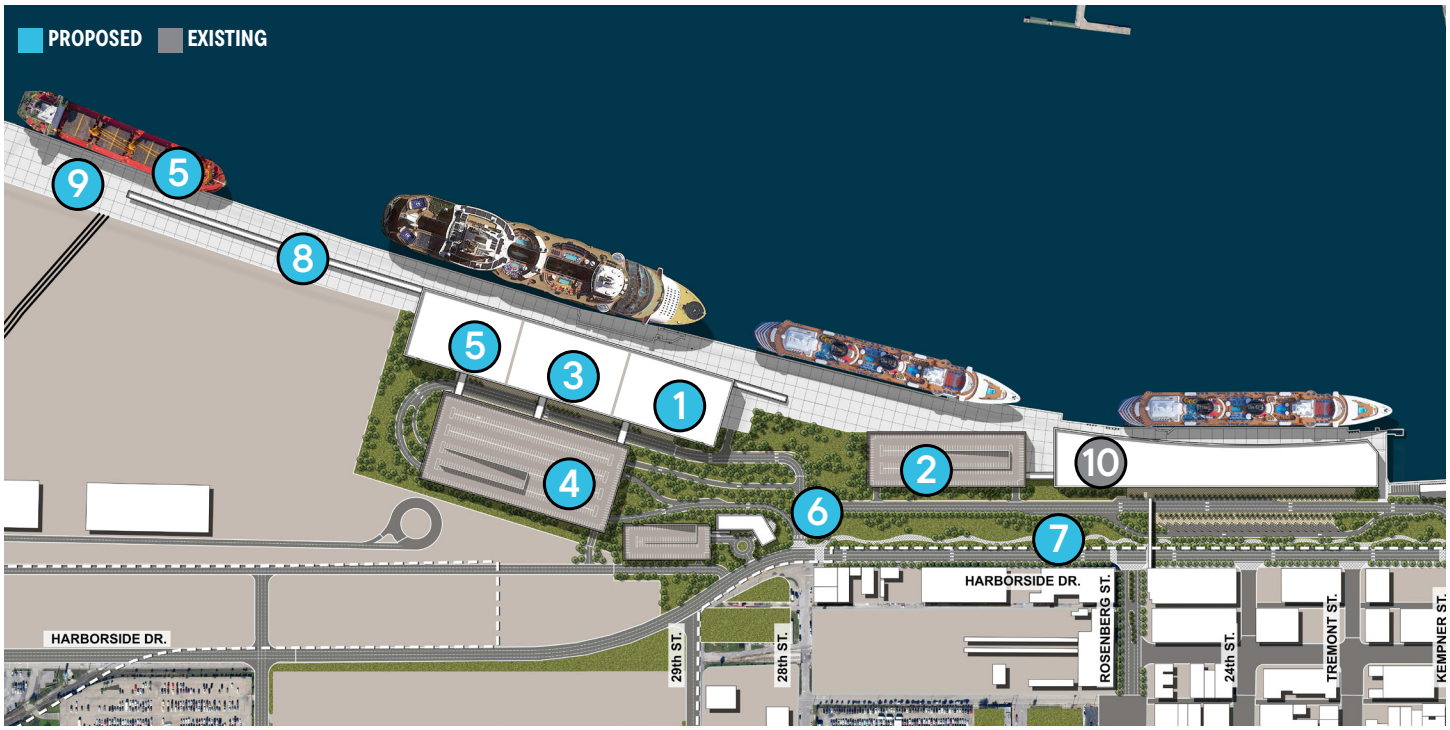
The Port has secured $8.2 million in grant funding for mobility and transportation improvements. Although these efforts fall outside of the cruise capital program, the resulting study will be a critical input and should be completed before advancing additional cruise facilities.

FIGURE 12: EAST PORT CRUISE DEVELOPMENT



1. New Terminal 14
2. Parking Garage
3. USS Texas Museum & Park
4. Public Waterfront Access
5. Terminal 10
6. Terminal 16

FIGURE 13: MID PORT CRUISE DEVELOPMENT



1. Replacement Cruise Terminal 28
2. New Parking Garage for Terminal 25 & 28
3. New Cruise Terminal 6
4. New Parking Garage for Terminal 6 & 7
5. New Cruise Terminal 7 (& Flex Use Berth)
6. New Internal Cruise Road
7. Waterfront Greenbelt
8. Common Boarding Concourse
9. Apron Suitable for Cruise/Cargo Operations
10. Terminal 25

Conceptual rendering for illustrative purposes only. Final design subject to change.

CRUISE PROJECTS

SHORT TERM

LONG-TERM

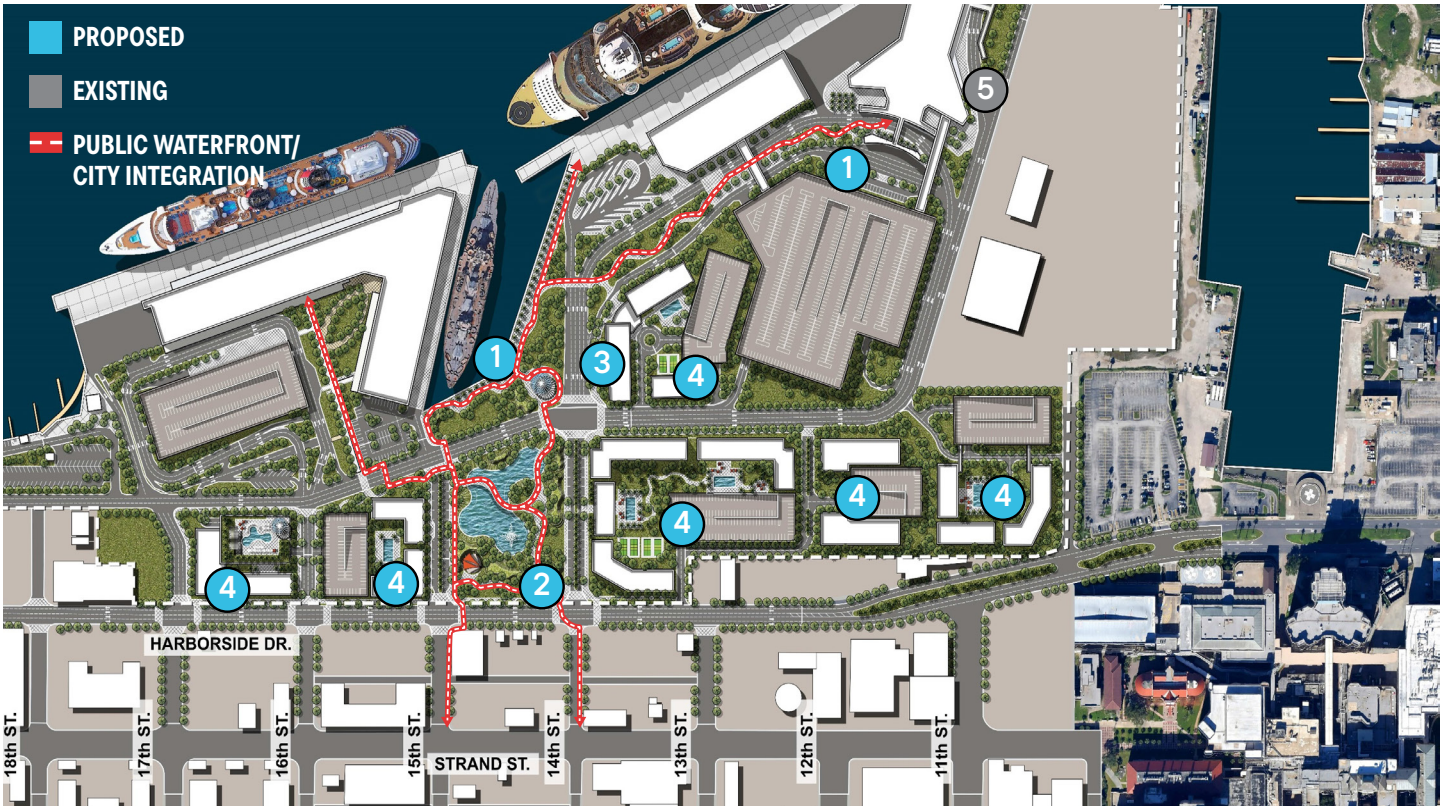
APPROXIMATE START YEAR		
2026	**NEW CRUISE TERMINAL 14**	Creates the Port's fifth cruise facility, including a new terminal, structured parking, and berth and dolphin readiness, supported by integrated land reclamation between Piers 12 and 14, along with civil, utility, dredging, and greenscaping improvements to accommodate the largest vessels.
2030	**REPLACEMENT CRUISE TERMINAL 28**	Replaces the aging Terminal 28 complex with a modern facility located just west of the existing terminal, creating space for a new parking garage that will serve both the new Terminal 28 and Terminal 25, while delivering upgraded pier structures, sitework, and landside systems; the facility is designed with an expandable footprint that can be extended to support additional cruise berths as demand materializes with a centralized CBP processing facility.
2035	**NEW CRUISE TERMINAL 6**	Establishes the Port's sixth cruise terminal and companion garage, supported by the reclamation and connection of Piers 29–30 to create contiguous waterfront frontage, expanding berth capacity, enhancing vessel maneuvering flexibility, and building on the new Terminal 28 complex to meet projected mid-2030s cruise demand.
2035	**NEW INTERNAL CRUISE ROAD**	Improves internal circulation within the cruise district through a dedicated connector road, with associated utility improvements and roadway repaving, accommodating cruise-related traffic entirely within Port boundaries and alleviating congestion along Harborside Drive.
2040	**WATERFRONT GREENBELT**	Creates a continuous pedestrian greenbelt linking the eastern and western cruise areas, enhancing walkability, improving wayfinding, and providing a landscaped buffer that supports safe movement between terminals and adjacent waterfront public spaces.
2045	**NEW CRUISE TERMINAL 7** (PLUS FLEX USE BERTH)	Provides a future expandable berth and terminal footprint with structured parking, greenspace, and landside systems, designed as a flexible facility that can be configured for cruise, cargo, or hybrid operations depending on market conditions as the 2040s approach.

COMMERCIAL & WATERFRONT PROGRAM

The Port's commercial and waterfront program represents a significant longterm business opportunity, supported by revenues from growing cruise volumes, increased Port activity, and rising regional tourism. The plan aims to enhance public access, beautify the waterfront, and introduce open space that together create a more unified and welcoming port waterfront experience.

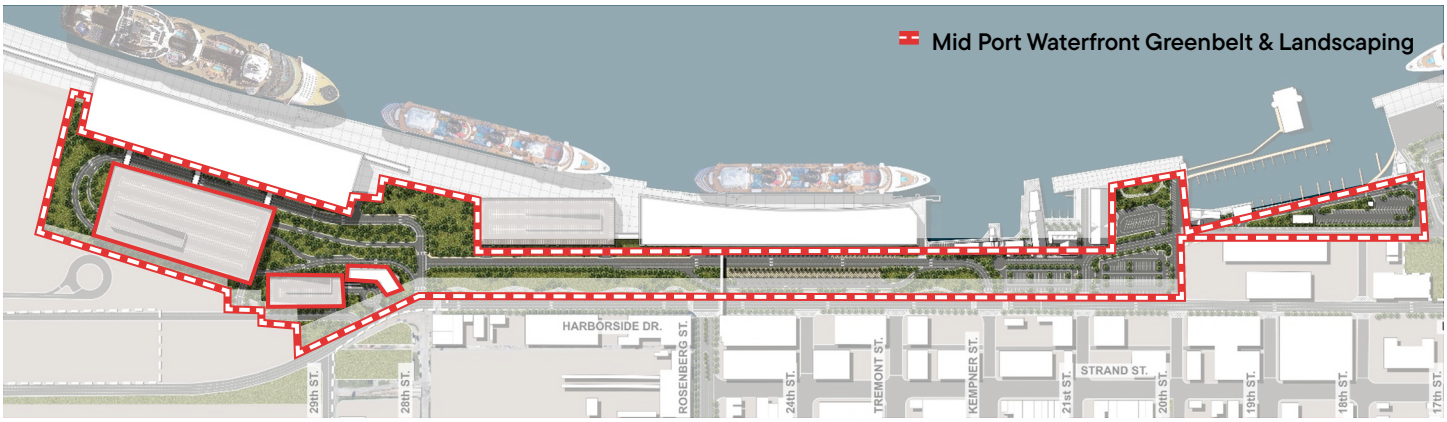
To meet this demand, the Port is planning for nonindustrial commercial uses—including retail, hospitality, public realm amenities, and future residential development—that enhance the visitor experience and serve the Port workforce and surrounding community. A key focus is expanding public access to the waterfront through new walkways at 14th and 15th Streets, improved pathways, green spaces, and inviting gathering areas that create direct pedestrian connections between the Strand and the water's edge. Together, these investments establish a new commercial presence for the Port, strengthen the link between land-based tourism and the waterfront, and create opportunities for expanded revenue generation through longterm leases and private partnerships.

FIGURE 14: EAST PORT COMMERCIAL & WATERFRONT DEVELOPMENT



1. USS Texas Museum & Park
2. Maritime Park
3. Public Waterfront
4. Urban Development (Hotel, Commercial, Retail, Residential)

FIGURE 15: MID PORT WATERFRONT GREENBELT & LANDSCAPING



Conceptual rendering for illustrative purposes only. Final design subject to change.

COMMERCIAL & WATERFRONT PROJECTS

SHORT TERM

APPROXIMATE START YEAR

2026 USS TEXAS MUSEUM & PARK

Delivers structural upgrades to prepare Pier 15 for hosting the historic USS Texas as a museum ship, along with an adjacent waterfront park that provides pedestrian access and public viewing areas; together, these improvements establish a major heritage attraction that anchors the waterfront and supports year-round visitation.

2028 MARITIME PARK & WATERFRONT ENHANCEMENTS

Creates an expanded public-realm destination with flexible event and recreation space, upgraded promenades, landscaping, seating, and pedestrian-scale lighting, forming a continuous, high-amenity waterfront edge that enhances wayfinding, improves safety, and supports adjacent retail and hospitality uses.

2030 DEVELOPMENT OF HARBORSIDE FRONTAGE LEASE PARCELS

Prepares prominent parcels throughout East Port for phased private development, supporting new retail, food-and-beverage, and hotel opportunities while strengthening the gateway experience to the cruise district and creating long-term revenue generation through expanded ground leases and commercial partnerships.

2040 WATERFRONT GREENBELT & LANDSCAPING

Creates a continuous pedestrian greenbelt linking the eastern and western cruise areas, enhancing walkability, improving wayfinding, and providing a landscaped buffer that supports safe movement between terminals and adjacent waterfront public spaces.

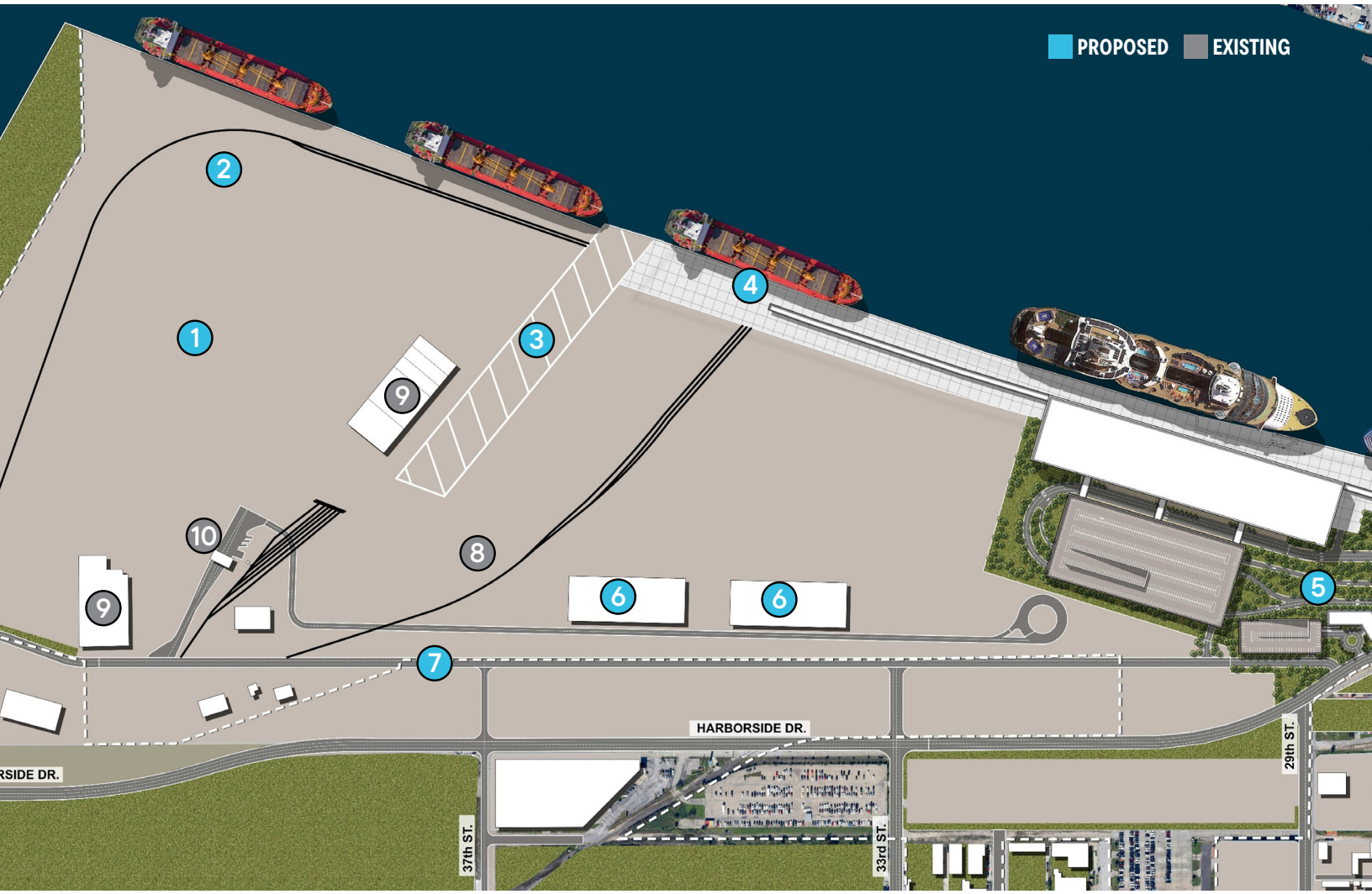
LONG-TERM

WEST PORT CARGO PROGRAM

The Port's cargo program has completed the development of West Port as a flexible, high capacity general cargo facility with intermodal capability that can support a broader logistics district. The plan finalizes the transformation of the former Port of Galveston cargo terminals—previously built around narrow slips with limited backup land—by filling all remaining slips and constructing modern marginal wharves along the main channel. This significantly increases the available backup area to support all cargo types, provides yard and berth rail access, and creates space for additional warehousing where needed. These improvements create a highly competitive terminal well suited to the mix of cargoes forecasted for the Port.

As trade commodities evolve, the plan emphasizes adaptable infrastructure, including expanded berths, upgraded pavements, more efficient yard layouts, and enhanced multimodal connections. By consolidating cargo operations into a purpose built waterfront zone with reconstructed berths, expanded laydown areas, and on dock rail, the Port can accommodate larger vessels, increase throughput, and support new tenants. Together, these investments deliver a resilient, future ready cargo gateway designed to meet changing commodity flows and industrial demands.

FIGURE 16: WEST PORT GENERAL CARGO TERMINAL



1. Central Cargo Yard Improvements
2. New On Dock Rail
3. Slip 36-37 Fill
4. Flex Berth (Cargo/Cruise)
5. Maritime Port & Office Complex
6. New Warehouses
7. Extended Internal Roadway
8. Existing Rail
9. Existing Warehouses
10. Existing Gate

WEST PORT CARGO PROJECTS

SHORT TERM

APPROXIMATE START YEAR

2027-2034 WEST PORT BERTH & YARD EXPANSION

Delivers a coordinated sequence of improvements that modernizes the Port's marine frontage and upland cargo areas, creating a continuous 1,434-foot berth and expanding the district's operational footprint. Initial phases include construction of new T-heads at Piers 37–38 and 40–41 and installation of new sheet piling from Pier 38 to Pier 41. Subsequent phases close and fill multiple slips, converting underutilized water areas into high-value cargo handling and laydown space. Across 2027 to 2034, the program also reconstructs pavement from Piers 36–41, creating a unified, modern cargo operations zone.

2030 CENTRAL CARGO YARD IMPROVEMENTS

Implements roadway, paving, and rail upgrades to modernize the cargo yard and support expanded operations generated by the West Port Berth & Yard Expansion program.

2030 MARITIME PORT & OFFICE COMPLEX

Delivers a new administrative and operational complex to consolidate Port functions, improve tenant service, and support long-term growth at West Port with modernized facilities and improved site access.

2035 CARGO YARD SUPPORT FACILITIES

Provides new warehouses, upgraded utilities, and tenant support buildings to fully activate the expanded cargo district and accommodate long-term industrial growth.

2045 NEW FLEX USE BERTH

Provides a future expandable berth designed as a flexible facility that can be configured for cargo, cruise, or hybrid operations depending on market conditions as the 2040s approach.

LONG-TERM

PELICAN ISLAND CARGO / INDUSTRIAL PROGRAM

Pelican Island has traditionally supported heavy cargo and industrial development. Because it is separated from the urbanized areas of Galveston, the island offers an ideal location for these activities. Over the years, several additional proposals—including a major container terminal—have been considered, though most have not come to fruition. This Master Plan focuses on unlocking long-range opportunities and aligning the island with market needs and national priorities. Importantly, attracting new industrial and cargo uses has the potential to generate significant economic impacts and job creation.

Pelican Island's main constraint is its insufficient roadway and rail infrastructure, which limits its ability to compete for cargo and intermodal terminals that require direct rail connections. Competing ports do not face the added cost and inefficiency of moving cargo from a marine terminal to an off-site railyard. TxDOT is studying alternatives for bridge expansion and replacement; however, in the interim, near-term uses must focus on activities that do not require an upgraded bridge.

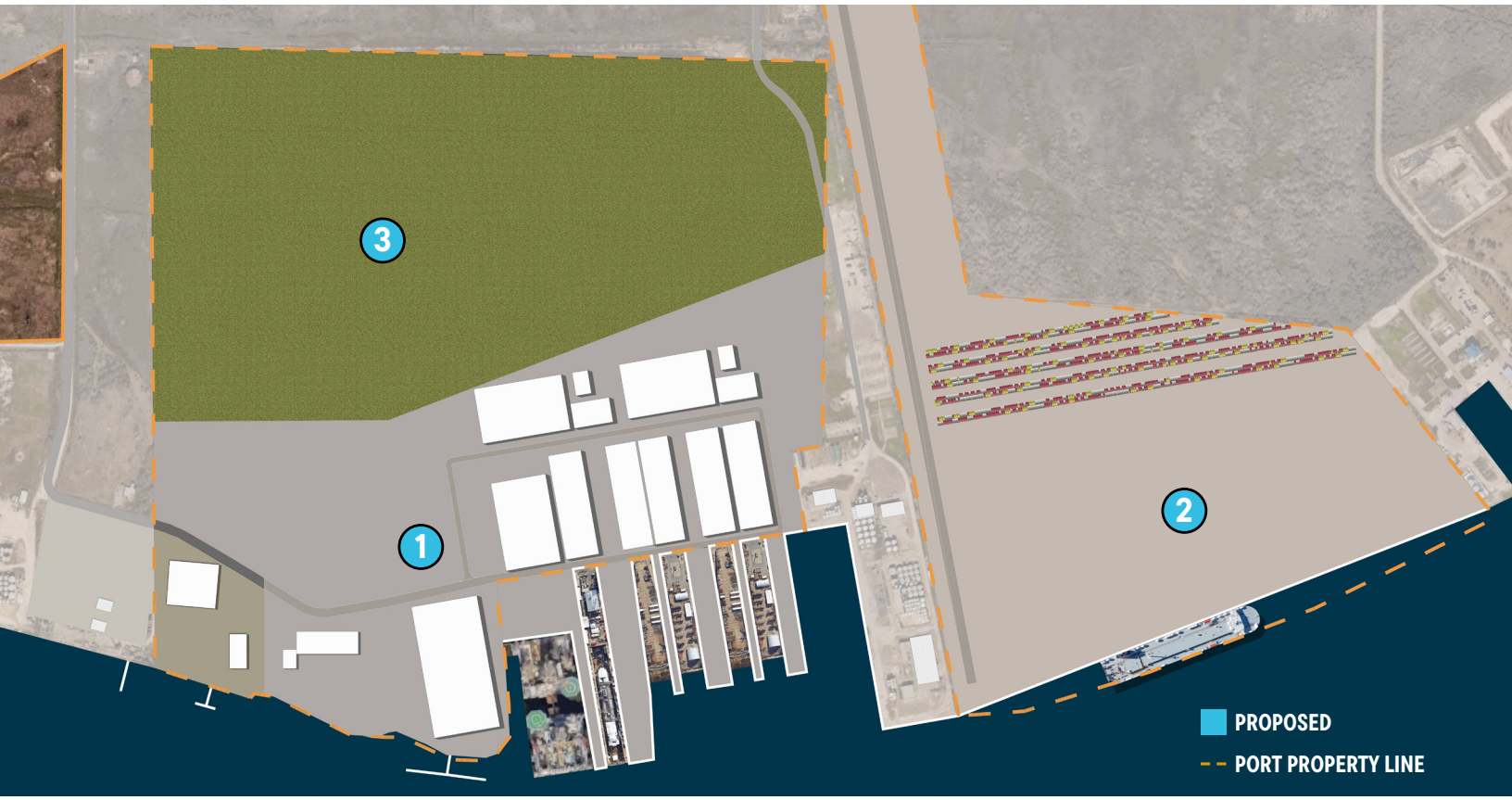
While the Master Plan was under development, two major developments emerged that align with this near-term strategy. The United States enacted directives and trade incentives to catalyze a strengthened domestic shipbuilding industry—considered a matter of national strategic importance, industrial self-reliance, and economic development.

Concurrently, the Port received and accepted a proposal from a shipbuilding company to construct a new shipyard on Pelican Island. This use will primarily rely on waterborne delivery of raw materials and may represent the beginning of a broader trend. The Port's adjacent properties will be well-positioned to function as a general cargo facility supporting this industry.

In addition, growth in the Port's cruise business will increase the need for LNG fueling capability. Together, these two functions establish the foundation for a new industrial base without requiring major new capital investments. These operational improvements strengthen Pelican Island's ability to accommodate additional cargo and maritime uses in the mid-term.

Longer-term opportunities—including expanded shipbuilding capacity, large-scale cargo handling, and new terminal development—will require modern berth and yard infrastructure supported by improved roadway and future rail access to manage inbound raw materials and outbound finished products. The timing of these projects remains flexible and is directly tied to the availability and sequencing of access improvements.

FIGURE 17: PELICAN ISLAND PROGRAM



1 Shipyard 2 Central Cargo Yard 3 Future Expansion Area

PELICAN ISLAND PROJECTS

MID TERM

LONG-TERM

APPROXIMATE START YEAR	
2030 **ROAD IMPROVEMENTS TO THE FUTURE CARGO TERMINAL**	Provides the essential roadway access needed to support new cargo operations, improving truck circulation and preparing the island for subsequent berth and yard development.
2035 **NEW GENERAL CARGO BERTH 1 AND CARGO YARD 1**	Establishes the first phase of new terminal capacity to support a broader mix of traditional Gulf Coast industrial cargoes as well as emerging sectors such as lithium, rare earth processing, and advanced manufacturing, aligned with anticipated roadway and future rail enhancements.
2045 **NEW GENERAL CARGO BERTH 2 AND CARGO YARD 2**	Adds a second berth and yard to create a scalable multi-berth terminal, increasing cargo throughput and expanding long-term industrial development potential.

PORTWIDE & GENERAL PROJECTS

Beyond the district specific programs, the Plan advances a series of portwide capital projects that strengthen core infrastructure, improve operational efficiency and safety, and build long-term resilience across every district. These investments integrate cruise, cargo, commercial, and administrative areas into a more cohesive and well-maintained operation—reducing flood risk, improving circulation, modernizing utilities, and consolidating key support functions. Key improvement areas include:

MOBILITY & ACCESS

Internal roadway enhancements, targeted traffic signal upgrades, improved circulation around cruise and cargo areas, wayfinding improvements, and continued coordination with TxDOT on long-range access planning. In parallel, the Port is planning to execute a transportation mobility study, the findings of which will be used to inform future port expansion and multimodal connectivity.

UTILITIES & DRAINAGE

A coordinated program of utility and drainage investments to improve system reliability, reduce flood vulnerability, and support planned growth areas. Utility and drainage upgrades are incorporated into portwide capital projects as part of redevelopment and expansion efforts. In addition, the Plan recommends completion of a comprehensive utility inventory and condition assessment to document system locations, materials, and conditions, providing a prioritized and phased basis for future capital investment.

NAVIGATION

Turning basin dredging and related improvements that maintain safe vessel maneuvering and support operational continuity.

OPERATIONS & SUPPORT FACILITIES

Consolidation and modernization of administrative and operational facilities, improved maintenance capabilities, police department relocation, and preservation of historically significant maritime assets.

These portwide improvements are critical enablers of the Master Plan—forming the foundational infrastructure needed to support a unified, efficient, and future ready Port.

PHASED IMPLEMENTATION AND CAPITAL PROGRAM

The Preferred Plan has been organized into a capital program that can be implemented in phases and adjusted over time. This structure provides the Port with the flexibility to respond to changing market conditions and community needs, while still presenting the full scope of the plan for long-term planning purposes.

Although the Master Plan spans 2025–2045, some projects are scheduled to begin in the later years of the plan, so the capital program extends beyond 2045; this extended timing is captured in the funding schedule to ensure affordability and continuity of delivery.

All projects have been costed to include appropriate contingencies and the effects of inflation. The total estimated cost of the Plan is US $2.4 billion. Approximately US $246 million (10%) represents projects that were previously approved or are currently under construction or in design, with the remainder reflecting new strategic investments. This approach ensures continuity between the Port's ongoing infrastructure program and the initiatives identified in the Plan.

Costs are summarized in TABLE 3 by business unit and project type and reflect an assumed annual inflation rate of 2.5%, with all figures presented in escalated dollars consistent with that assumption.

TABLE 3: CAPITAL PROGRAM BY BUSINESS & PROJECT TYPE

	2026-2030	2031-2035	2036-2040	2041-2045	2046-2056	TOTAL
BY BUSINESS						
CRUISE	$506,841,024	$325,800,044	$256,465,822	$37,258,541	$337,422,814	**$1,463,788,246**
CARGO WEST PORT	$144,705,994	$106,304,853	$95,051,894	$93,745,542	$-	**$439,808,283**
PELICAN ISLAND	$417,642	$15,779,649	$138,235,855	$12,820,023	$176,953,582	**$344,206,751**
GENERAL	$45,117,792	$49,147,282	$13,982,997	$16,547,984	$-	**$124,796,054**
WATERFRONT	$13,084,575	$6,514,298	$369,752	$11,338,387	$30,680,148	**$61,987,160**
COMMERCIAL	$926,422	$12,947,815	$-	$-	$-	**$13,874,237**
BY PROJECT TYPE						
TERMINAL	$168,114,577	$190,685,826	$154,387,287	$14,317,911	$197,628,779	**$725,134,379**
PARKING	$189,205,696	$111,014,922	$79,811,655	$7,401,750	$102,165,666	**$489,599,689**
PIER	$141,841,103	$22,252,869	$113,197,006	$23,971,760	$154,026,617	**$455,289,354**
SITE	$77,131,904	$111,824,066	$52,141,620	$4,387,144	$60,555,334	**$306,040,068**
RECLAMATION	$82,434,052	$7,297,956	$472,119	$93,745,542	$-	**$183,949,670**
BUILDING	$29,072,278	$63,860,405	$78,949,758	$-	$-	**$171,882,442**
WATERFRONT	$12,901,669	$6,514,298	$369,752	$11,338,387	$30,680,148	**$61,804,254**
UTILITY	$10,392,169	$2,468,847	$15,910,879	$3,828,851	$-	**$32,600,746**
DREDGING	$-	$574,752	$8,866,245	$12,719,133	$-	**$22,160,129**
TOTAL	**$711,093,448**	**$516,493,941**	**$504,106,321**	**$171,710,477**	**$545,056,544**	**$2,448,460,731**

The funding strategy is designed to remain flexible as market conditions, interest rates, and public funding programs evolve over time.

FINANCIAL CAPACITY AND FUNDING STRATEGY

PORT REVENUE CAPACITY

The Port generates revenues primarily from cruise operations, cargo activity, and real estate leases. These revenues form the backbone of the Port's self-financed contribution to the capital program. Primary revenue sources include:

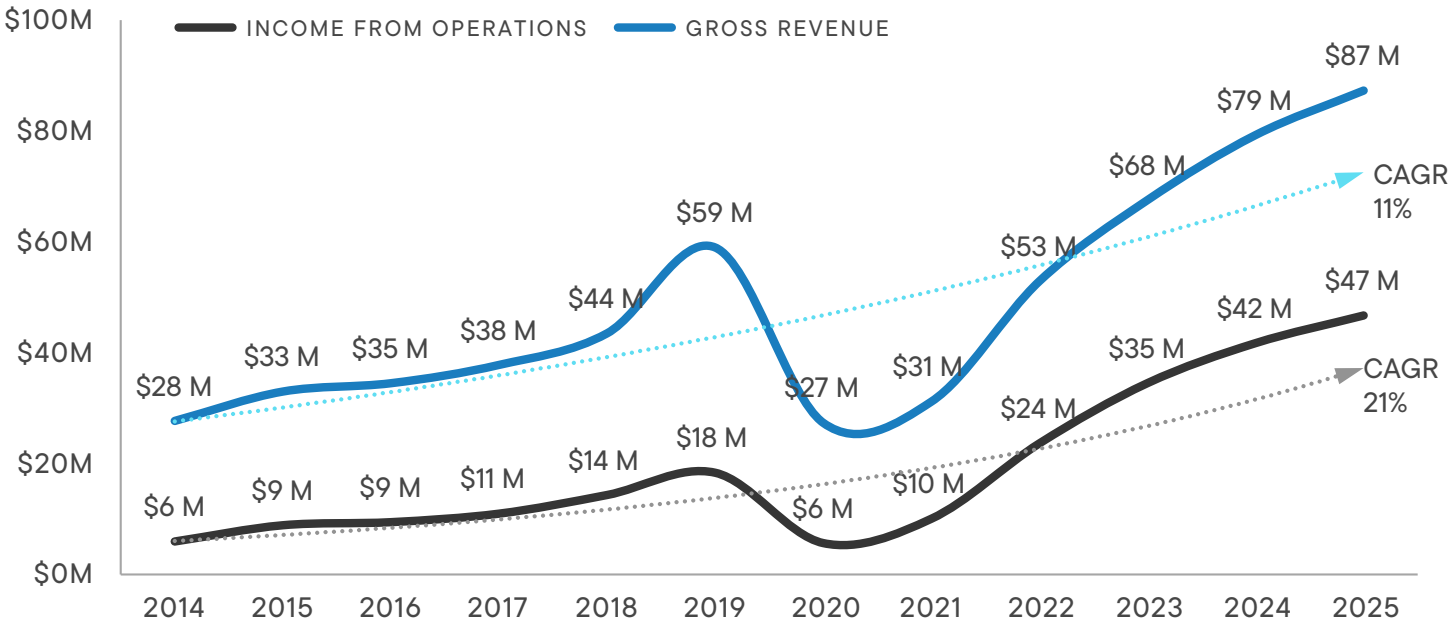
CRUISE REVENUES
Passenger fees and parking revenues

CARGO REVENUES
Dockage, wharfage, laydown fees, and rail revenues

REAL ESTATE REVENUES
Ground leases

Over the past decade, the Port has experienced substantial revenue growth. Gross revenues increased from $27.7 million in 2014 to $87.3 million in 2025—more than tripling over the period and reflecting a compound annual growth rate (CAGR) of 11%. Cruise operations, including parking, now represent approximately 68% of total income. Income from operations before depreciation rose from the low single-digit millions in 2014 to nearly $47 million in 2025, a CAGR of 21%. This growth reflects strong operational performance, disciplined cost management, and the Port's effective reinvestment in revenue generating assets.

FIGURE 18: HISTORICAL GROSS REVENUE & INCOME FROM OPERATIONS, BEFORE DEPRECIATION



Source: Port of Galveston

FINANCIAL FORECASTS AND LONG-RANGE MODEL

OVERVIEW

The Port's financial position remains strong, supported by sustained revenue growth and a capital program structured to enhance operational capacity without compromising day-to-day operations. Over the planning horizon, revenues are projected to increase steadily, driven by continued growth in core cruise and cargo activity, phased investments, and new real estate and waterfront revenues that further diversify the Port's base. In parallel, the Port will continue disciplined cost management, selectively advancing complementary commercial development (hospitality, residential, and retail leases where market supported) alongside core cruise and cargo businesses

The Port's long-range financial model provides a planning level assessment of future revenues, expenses, and capital impacts. It incorporates forward-looking assumptions (e.g., inflation, tariff escalation, lease structures, revenues associated with capital improvements, and historical expense trends) and is directly linked to cruise and cargo forecasts—enabling scenario testing and sensitivity analysis across a range of market conditions. The model can run multiple cruise and cargo forecast paths and adjust a broad set of inputs (utilization, tariff escalation, phasing, cost/inflation), and the results presented here reflect the most likely planning scenario at this time. While informative, the model is a strategic planning tool, not a project level financing forecast; each project will be reassessed at execution or financing to confirm alignment with prevailing conditions, updated revenue projections, and overall financial strategy.

PROJECTED GROSS AND OPERATING REVENUES (PLANNING SCENARIO)

Total operating revenues are projected to grow from ~$87 million in 2025 to ~$344 million by 2045. The increase is led by cruise (from ~$35 million to ~$154 million) and parking (from ~$31 million to ~$145 million), with steady gains in cargo (from ~$11 million to ~$30 million). Real estate remains relatively stable, while new commercial revenues begin contributing mid-period and scale to ~$4.2 million by 2045. Collectively, revenues nearly quadruple over the horizon, reflecting phased capacity additions, market growth in core businesses, and selective commercial development that diversifies the Port's revenue base[1].

Operating income (before depreciation, interest expense, debt service, and non-operating income) is projected to rise from ~$46.7 million in 2025 to ~$188.9 million by 2045. Following the pandemic era trough (~$5.7 million) and subsequent recovery, income expands with added cruise capacity, parking, cargo modernization, and targeted commercial development. These projections remain contingent on the items below:

- ACHIEVING MID-TERM MARKET PROJECTIONS FOR BOTH CRUISE AND CARGO
- ADDING NEW REVENUES PRIMARILY THROUGH LAND LEASES ASSOCIATED WITH THE CAPITAL IMPROVEMENT PROGRAM
- APPLYING ANNUAL TARIFF ESCALATION (PORT AND PARKING)

FIGURE 19: GROSS REVENUE PROJECTIONS

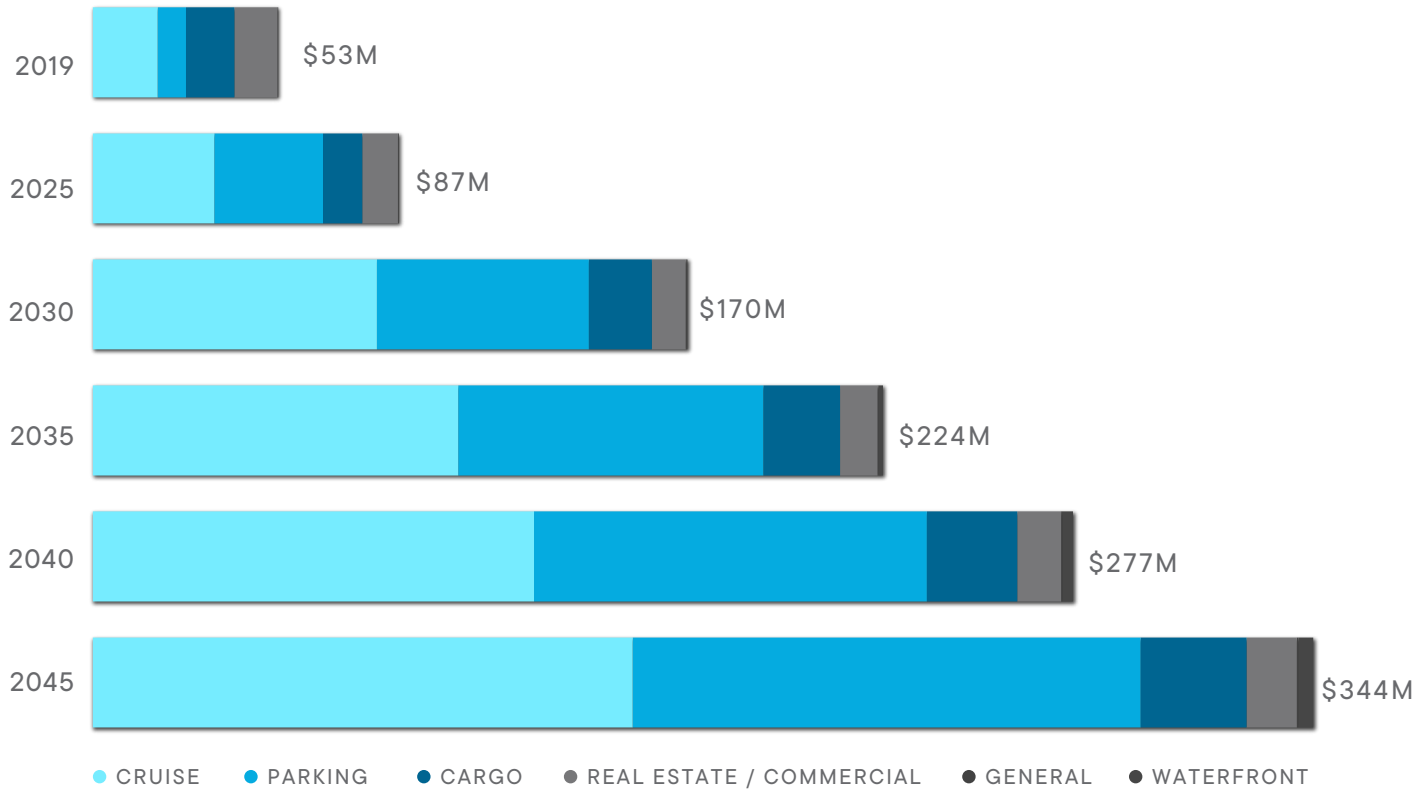
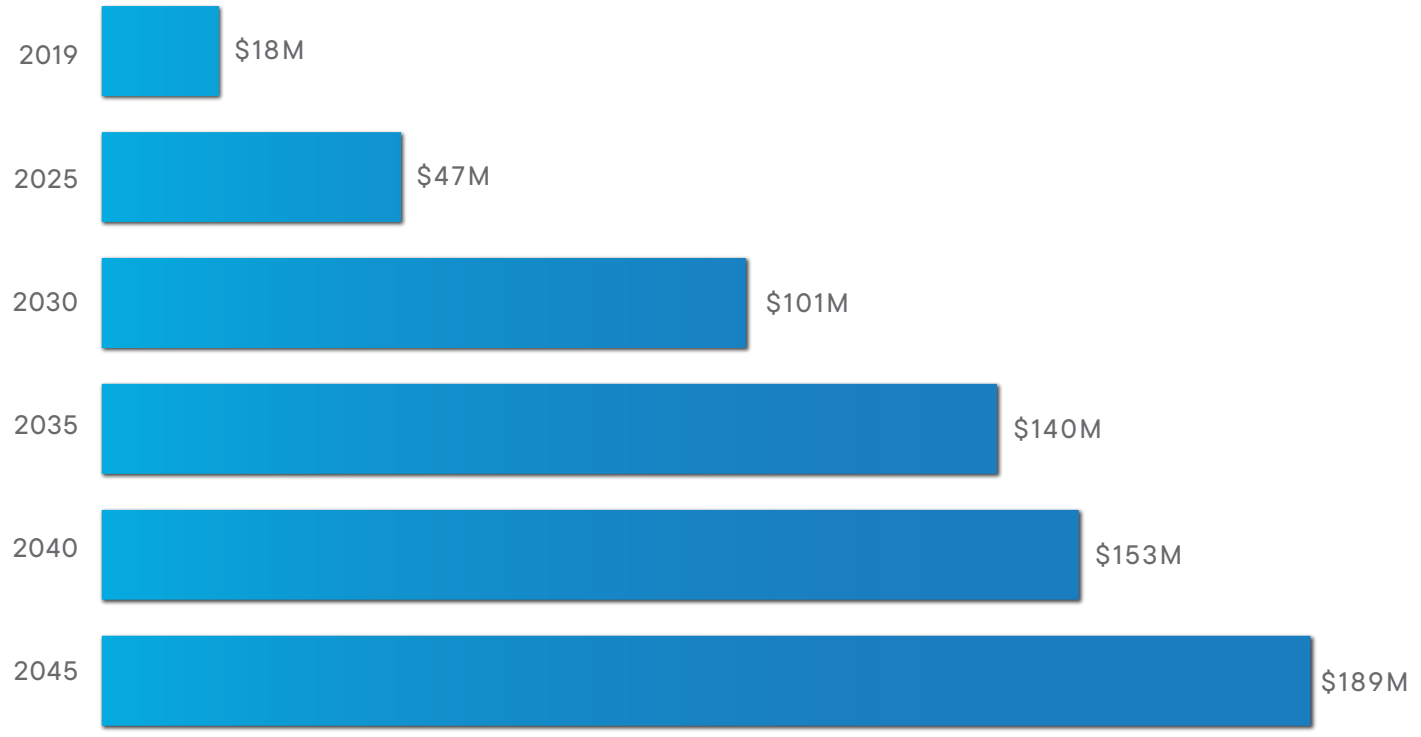


FIGURE 20: PROJECTED NET REVENUES



[1] These projections reflect the model's most-likely scenario at this time; the Port's long-range model can test multiple cruise and cargo forecast paths and adjust key inputs (e.g., utilization, tariff escalation, phasing, cost/inflation) to reflect evolving market conditions.

FUNDING AND FINANCIAL STRATEGY

OVERVIEW AND MIX

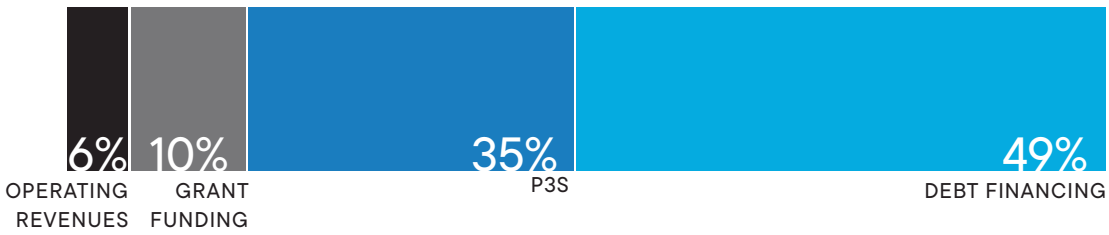
Building on the Port's strong operating revenue base and long-range financial forecasts, this funding strategy applies those revenues—alongside debt, grants, and partnerships—to deliver the capital program in a phased and affordable manner.

Implementing the Strategic Master Plan will require a diversified and financially resilient funding strategy that aligns long-term capital needs with the Port's revenue base, external funding opportunities, and partnership models. The US$2.4 billion capital program reflects an ambitious, multi-decade investment horizon and emphasizes the importance of coordinating project scope, phasing, and funding tools with the Port's evolving financial capacity.

To support delivery, the Port will draw on a balanced mix of operating revenues, state and federal grants, public-private partnerships (P3s), and traditional debt financing. This multi-layered strategy is designed to match funding tools with project types and implementation timing so that investments are delivered responsibly, preserve financial flexibility, and advance in step with demonstrated market demand.

FIGURE 21 presents the high-level allocation of the $2.4 billion capital program by funding source. Nearly half of the program—approximately $1.2 billion (49%)—is anticipated to be financed through debt. P3s account for $866 million (35%), reflecting the Port's continued use of long-term lease and cost-sharing arrangements for revenue-generating assets. Grant funding is expected to support approximately $238 million (10%) of the program, primarily for eligible infrastructure, access, resilience, security, and sustainability improvements. The remaining $143 million (6%) is planned to be funded directly from operating revenues, supporting priority projects and providing required match for external funding.

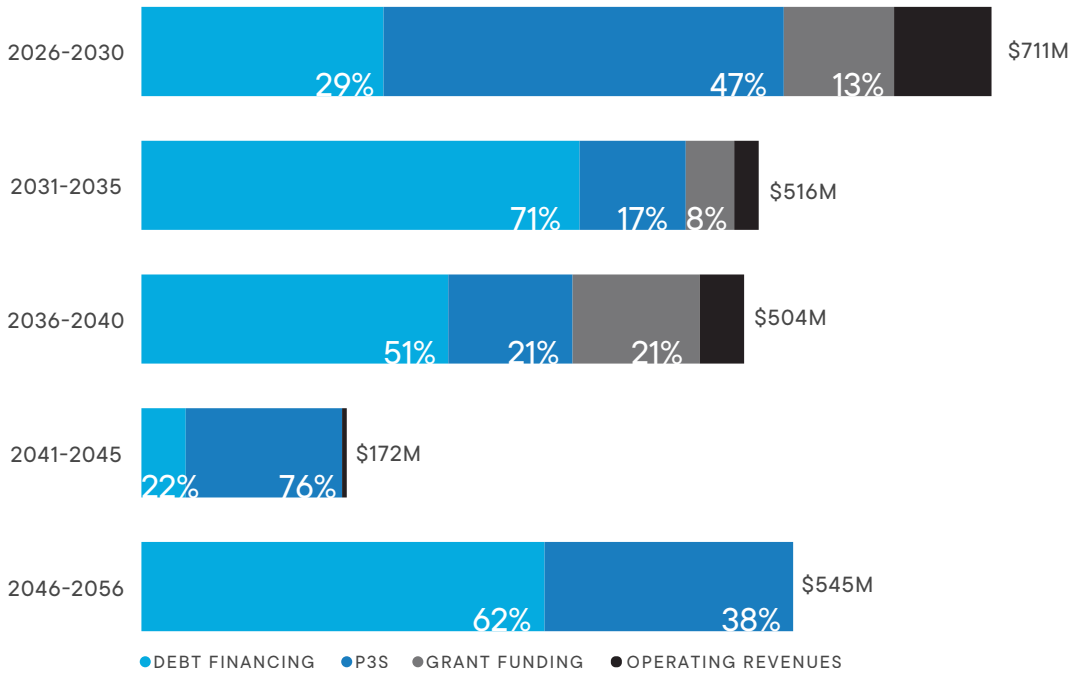
FIGURE 21: CAPITAL PROGRAM BY FUNDING SOURCE



AFFORDABILITY AND PHASING ALIGNMENT

Phasing of the Plan aligns capital deployment with when funding is realistically available, not just with early revenue growth. In practice, the funding mix shifts over time: the near-term (2026–2030) blends debt, P3s, grants, and operating funds; mid phases combine debt with targeted grants; and later phases lean more heavily on third party/P3 participation and follow-on debt, reflecting the timing of large partners, regional access projects, and enabling infrastructure.

FIGURE 22: FUNDING VS. PHASING TIMELINE



DEBT FINANCING AND BONDING CAPACITY

While operating income provides the foundation for the Port's long-term financial flexibility, certain phases of the capital program will require supplemental financing to advance large-scale, multi-year investments. When revenues alone are not sufficient—or when the Port seeks to preserve cash reserves to maintain operational resilience—debt financing may be used strategically to support capital delivery.

The Port has access to a range of established financing tools that can be tailored based on project scale, timing, and revenue characteristics:

REVENUE BONDS	Supported by cruise or cargo activity, to finance large terminal, berth, or structured parking improvements
GENERAL PORT REVENUE BONDS	Backed by the Port's diversified revenue base
SHORT-TERM COMMERCIAL PAPER	Used to manage cash flow during construction or bridge grant reimbursements
STATE INFRASTRUCTURE BANK (SIB) LOANS	Offering favorable repayment terms for roadway and access-related improvements
FEDERAL CREDIT PROGRAMS	Such as TIFIA and RRIF, providing low-interest, long-amortization financing for eligible transportation assets

Together, these mechanisms provide the Port with flexibility to phase capital investments efficiently, align debt repayment with revenue generation, and balance near-term delivery needs with long-term financial stability. The specific use, sizing, and structure of any financing instrument will be evaluated at the time of project advancement to ensure consistency with financial policies, debt service coverage targets, revenue forecasts, and prevailing market conditions.

FEDERAL AND STATE GRANTS

While several grants have already been secured and incorporated into the funding strategy, additional competitive and formula-based grants are anticipated for future phases of the capital program. Historically, the Port has demonstrated strong success in leveraging grant funding and partner contributions, including the recent $8.2 million mobility grant. Eligible grant programs include:

- Federal freight and infrastructure programs: PIDP, RAISE, INFRA, MEGA
- Environmental and resilience programs: EPA Clean Ports, DERA, PROTECT
- Security programs: Port Security Grant Program (PSGP)
- Maritime and shipyard programs: MARAD Small Shipyard Grants
- State of Texas programs: Texas Port Capital Program, TxDOT Rider 45/48
- Multimodal access programs: FHWA and FTA grant programs

These programs support investments ranging from wharves, dredging, and terminal modernization to roadway access, resilience, sustainability, and security. Grant funding is treated as a strategic supplement rather than a prerequisite for project advancement, with phasing structured to accommodate the timing and uncertainty of competitive awards.

As of the writing of this plan, the federal government is also developing new programs that may become available to the Port and to the State to incentivize shipbuilding and marine industry investment. These emerging programs will require the Port's attention in the near-term to ensure timely positioning for future opportunities.

PUBLIC PRIVATE PARTNERSHIP (P3) OPPORTUNITIES

Public-private partnerships will continue to serve as an important delivery and funding tool for cruise, cargo, and commercial development. P3 frameworks allow the Port to leverage private capital and expertise while allocating construction, market, and lifecycle risks to partners best positioned to manage them, all while preserving long-term strategic control of core assets. The Port's existing cruise terminals demonstrate a strong precedent for cost-sharing and long-term operator agreements. Potential P3 applications include:

CRUISE TERMINALS

Long-term terminal leases incorporating cost sharing, tenant-funded improvements, or capital recovery mechanisms

COMMERCIAL AND WATERFRONT DEVELOPMENT

Retail, concessions, and public-realm improvements delivered through lease, concession, or revenue-sharing structures

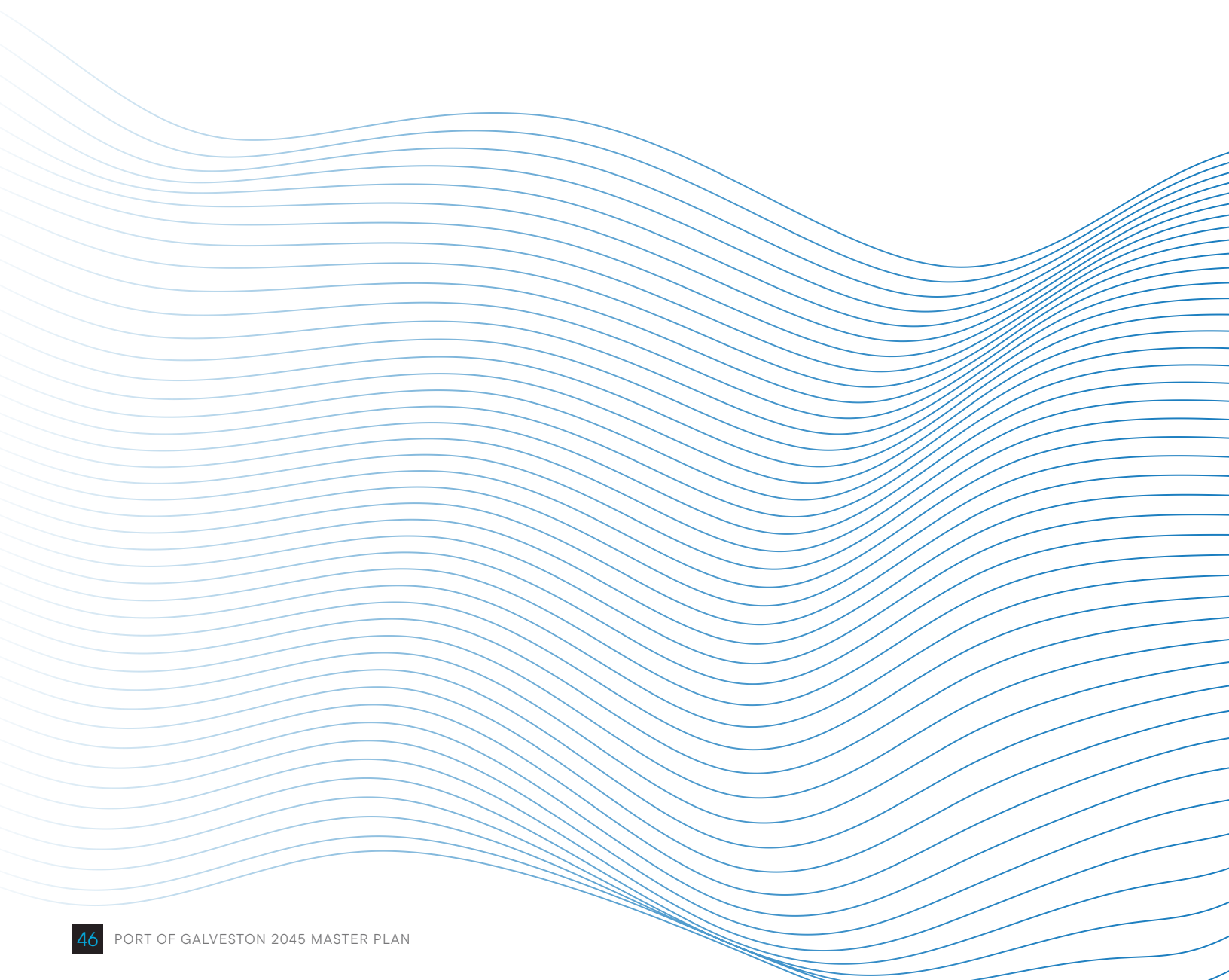
CARGO FACILITIES

Build-to-suit agreements for cargo, shipyard, or industrial tenants

SUMMARY OF FUNDING TOOLS

CATEGORY	FUNDING / FINANCING SOURCES	PURPOSE / NOTES
FEDERAL GRANTS	PIDP, RAISE, INFRA, MEGA, Clean Ports, DERA, PROTECT, PSGP	Supports freight, terminal, resiliency, security, and sustainability projects
FEDERAL COST SHARE	USACE, WRDA	Navigation, dredging, flood mitigation; match required
RAIL AND FREIGHT PROGRAMS	CRISI, RRIF	Rail access, relocation, and safety upgrades
STATE OF TEXAS PROGRAMS	Texas Port Capital Program (PCP), Ship Channel Improvement Fund, State Infrastructure Bank (SIB), TxDOT Rider 45/48	Port and landside access infrastructure
LOCAL AND PRIVATE FINANCING	P3s, private investment, revenue bonds	Terminals, commercial assets, lease-based development
PORT CAPITAL FUNDS	Operating income, reserves	Grant matching and priority near-term investments

IMPLEMENTATION STRATEGIES



Conceptual rendering for illustrative purposes only. Final design subject to change.

Delivering the Strategic Master Plan requires a coordinated, phased approach that aligns governance, funding, permitting, and long-term monitoring. As the Port operates within a competitive and capacity-constrained environment, each asset must be evaluated through a strategic, market-driven lens to ensure its limited footprint is optimized for long-term performance.

GOVERNANCE AND STRATEGIC PRIORITIZATION

The Master Plan establishes a disciplined governance framework to guide how the Port allocates its constrained land and berth resources. This framework ensures that capital decisions are made transparently, consistently, and in alignment with the Port's long-term mission. Under this approach, assets are evaluated based on their highest and best use, with deep-water berths—critical to cruise and cargo operations—prioritized accordingly.

Effective governance requires coordinated involvement from Port leadership, operations, engineering, finance, and external partners, ensuring that investment decisions reflect clear strategic criteria, operational needs, financial capacity, and partnership opportunities. This structure provides accountability and reinforces that capital prioritization remains aligned with the Port's long-range objectives.

FINANCIAL STRATEGY AND FUNDING APPROACH

Implementation depends on the Port's ability to leverage operating revenues, pursue partnerships, and phase investments within its financial capacity. While annual revenues alone cannot support the full capital program, revenue-producing assets—such as cruise terminals, structured parking, and future commercial developments—can be financed and used to support debt repayment while enabling reinvestment in enabling infrastructure. Financing realities, grant timing, and partner commitments will guide the pace and sequencing of project delivery.

SCHEDULE, MILESTONES, AND MARKET READINESS

Projects are sequenced across near-, mid-, and long-term horizons to reflect operational priorities, financial timing, and market demand. Near-term initiatives focus on optimizing cargo yards, expanding cruise infrastructure to meet demand, and improving utilities and internal circulation. Mid-term investments introduce new commercial, waterfront, and operational enhancements.

Long-term initiatives—including Pelican Island cargo expansion and future cruise terminals—will advance only when supported by market conditions, financial capacity, and the availability of supporting infrastructure. However, regardless of timing, implementation of any major project will require parallel investment in and coordination with external infrastructure, including roadway, bridge, rail, and regional access improvements—such as enhanced connections between Interstate 45 and port facilities.

The Master Plan projects are identified conceptually and remain subject to further study, interagency coordination, environmental review, and required approvals. Ongoing monitoring will allow projects to accelerate or defer as operational, financial, and market conditions evolve.

PERMITTING AND REGULATORY READINESS

Major improvements—including dredging, slip fills, new berths, roadway connections, and utility extensions—will require coordination with the U.S. Army Corps of Engineers, state agencies, and local jurisdictions. Early engagement in environmental review and permitting will help mitigate risk and support timely implementation.

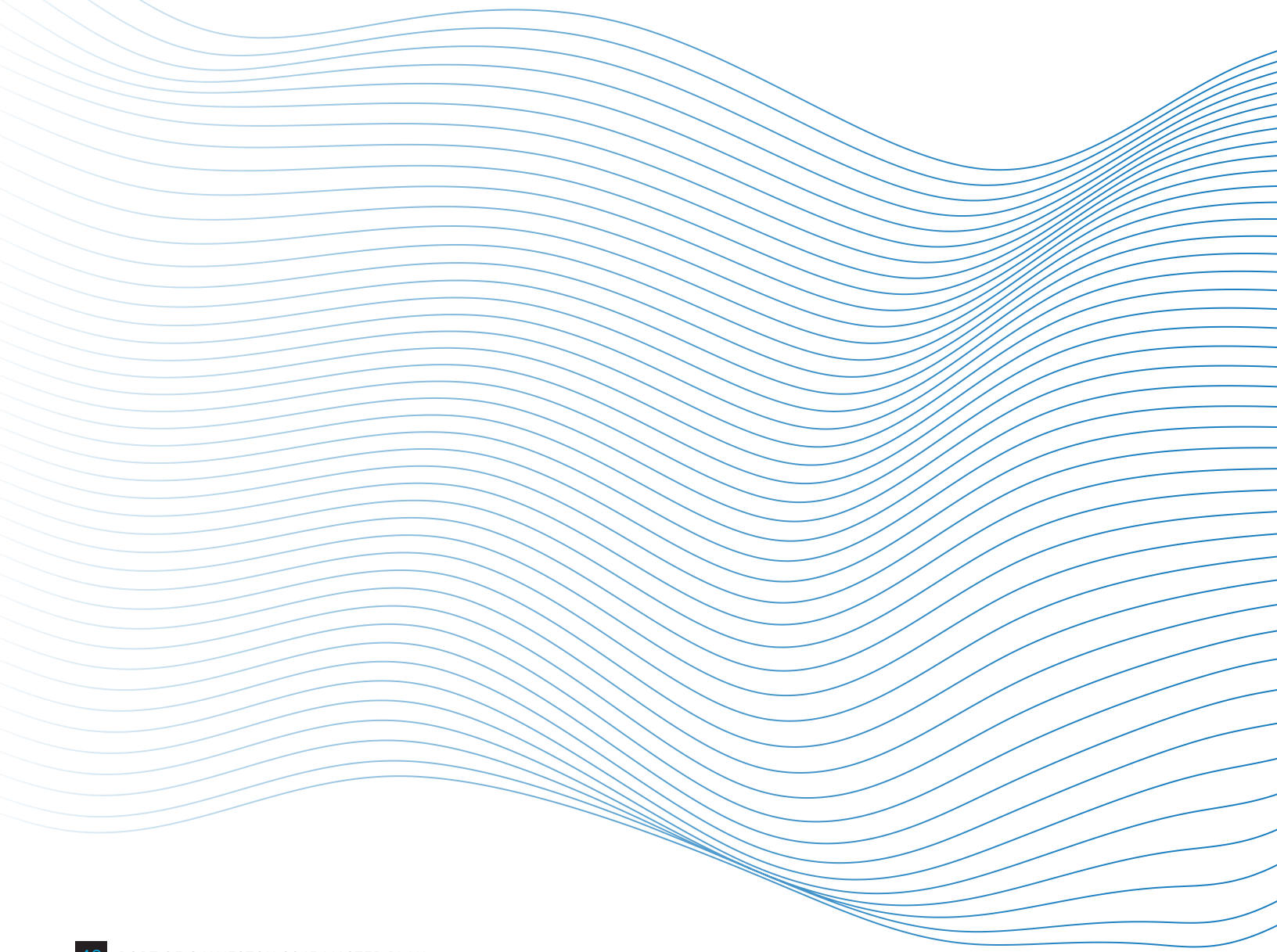
The Master Plan also positions the Port to pursue early, programmatic permitting for key elements of the long-range development program, rather than relying solely on project-by-project approvals. This approach can reduce schedule uncertainty, streamline regulatory coordination, and enable priority projects to advance more efficiently when funding and operational needs align.

ADAPTIVE MANAGEMENT

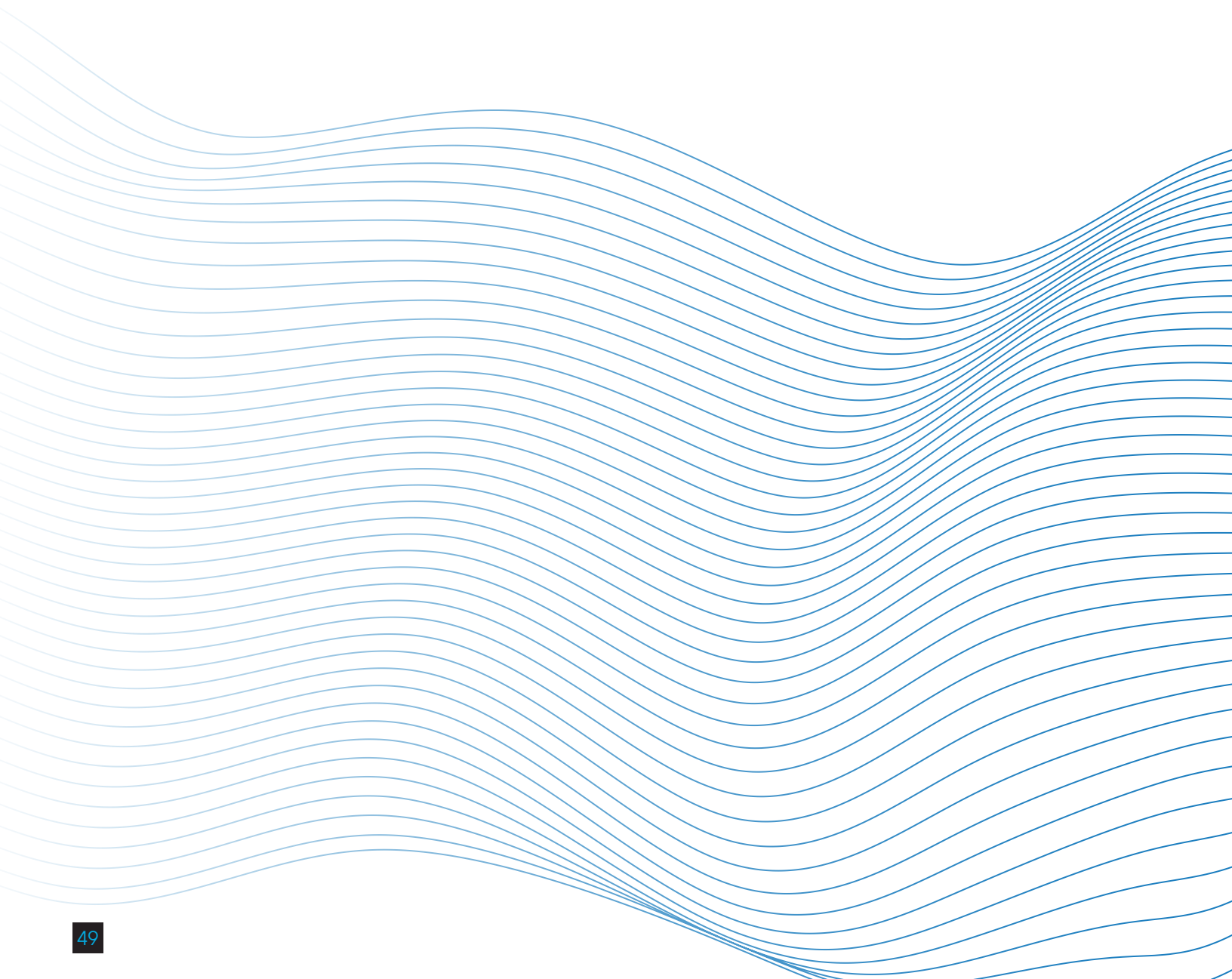
Given the two-decade planning horizon, regular reassessment is essential. Monitoring cargo and cruise volumes, tenant needs, and market conditions will allow the Port to refine priorities and maintain alignment with long-term goals. Performance indicators—such as berth utilization, throughput, revenue generation, and public access—will guide adjustments over time.

LOOKING AHEAD

The Strategic Master Plan outlines a clear and actionable roadmap for reinvesting in critical infrastructure and enabling the Port to grow within its existing footprint. By strategically leveraging cruise and commercial revenues, prioritizing deep-water berth capacity, and advancing targeted partnerships, the Port can strengthen its position as a global leader in cruise deployments, support cargo growth and associated economic benefits, and expand community amenities such as waterfront access and connectivity to the downtown Strand. Successful implementation is achievable and will require strong governance, disciplined financial management, and a sustained commitment to optimizing the Port's most valuable assets.



APPENDIX



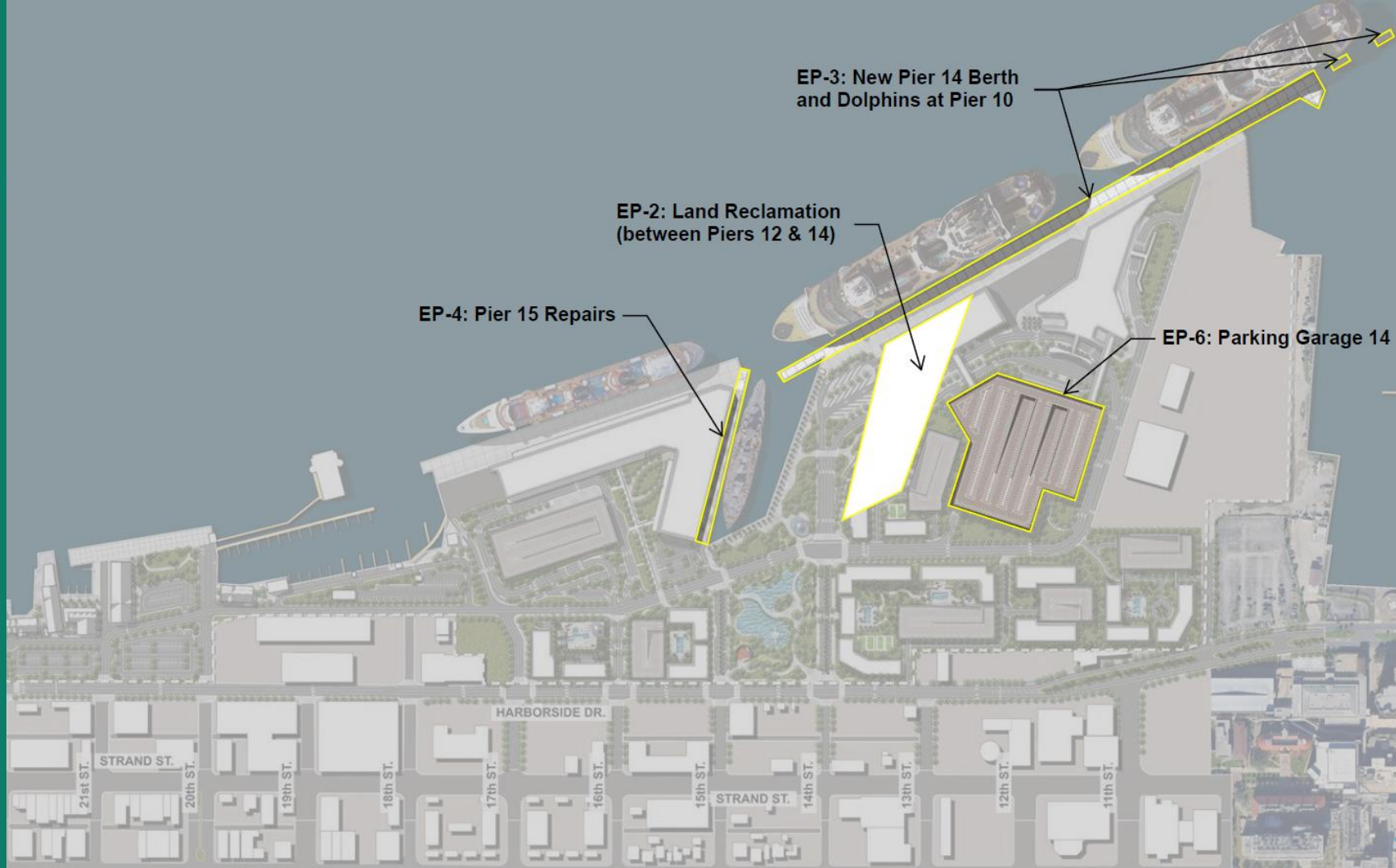
Port of Galveston 2050 Master Plan
Order of Magnitude Estimates
Bermello, Ajamil & Partners

SUMMARY	2026 Cost	Inflated cost
GRAND TOTAL	$1,936,824,242	$2,448,460,731

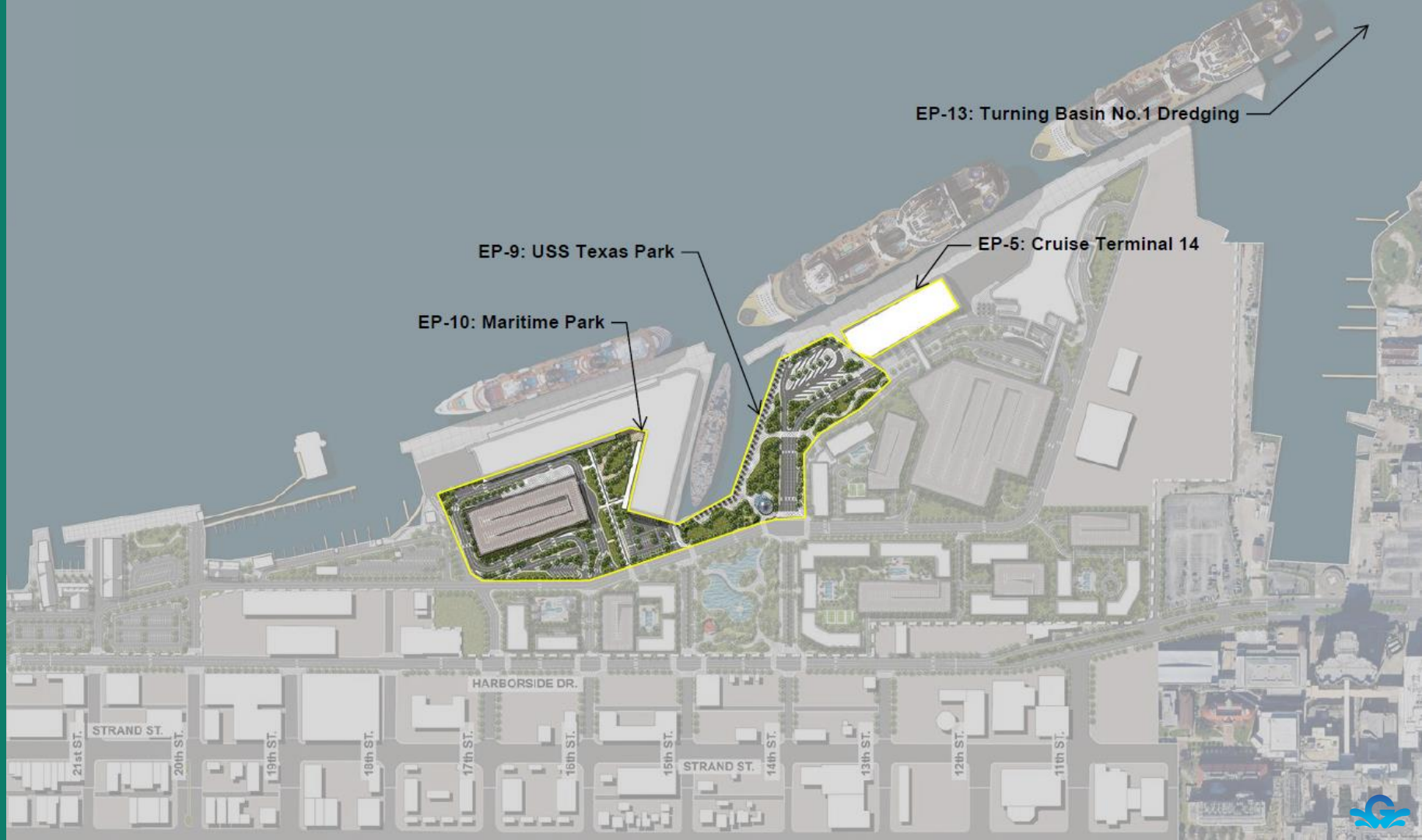
EAST PORT

ID	Description	Business Unit	Type	Funding	Hard Costs	Soft Costs	2026 Cost	Inflated cost	Start Year	Build Time
MP-EP-1	Development of Harborside frontage Lease Pads	RE	S	T	$11,162,592	$839,293	$12,001,884	$13,874,237	2030	3
MP-EP-2	Land reclamation (between Pier 12 & 14 East)	CR	S	T	$24,475,151	$1,840,237	$26,315,388	$27,921,876	2027	2
MP-EP-3	New Pier 14 Berth and dolphins at Pier 10	CR	PI	T	$65,836,663	$4,950,125	$70,786,788	$73,276,236	2026	2
MP-EP-4	Pier 15 Repairs	W	PI	O	$166,250	$12,500	$178,750	$182,906	2026	1
MP-EP-5	Cruise Terminal 14	CR	T	T	$139,068,125	$10,456,250	$149,524,375	$158,652,461	2027	2
MP-EP-6	Parking garage 14	CR	P	D	$161,329,000	$12,130,000	$173,459,000	$184,048,234	2027	2
MP-EP-7	Site civil for east port frontage	G	S	T	$7,213,919	$542,400	$7,756,319	$8,229,823	2027	2
MP-EP-8	Utility improvements - East Port	G	U	O	$5,883,125	$442,340	$6,325,465	$6,879,409	2028	2
MP-EP-9	USS Texas Park	W	PA	T	$3,366,937	$253,153	$3,620,090	$3,937,114	2028	2
MP-EP-10	Maritime Park	W	PA	T	$6,156,478	$462,893	$6,619,371	$7,199,053	2028	2
MP-EP-11	Waterfront development and landscaping	W	PA	T	$5,686,608	$427,565	$6,114,172	$6,986,249	2030	2
MP-EP-12	Waterfront lighting	W	PA	G	$1,119,099	$84,143	$1,203,242	$1,293,550	2028	1
MP-EP-13	Turning basin No 1 dredging	G	DR	T	$8,782,123	$660,310	$9,442,433	$13,652,133	2040	1
CIP-EP-1	CT16 Terminal Remaining Capital Balance	CR	T	D	$4,959,966	$2,125,700	$7,085,666	$7,209,665	2026	1
CIP-EP-2	CT16 Garage Remaining Capital Balance	CR	PI	D	$241,599	$103,543	$345,142	$351,182	2026	1
CIP-EP-3	CT16 PBB Remaining Capital Balance	CR	T	D	$1,076,650	$461,421	$1,538,071	$1,564,987	2026	1
CIP-EP-4	CT16 CBP Equipment Capital Balance	CR	T	D	$472,948	$202,692	$675,640	$687,464	2026	1
CIP-EP-5	CT16 Garage Remaining Capital Balance	CR	P	D	$2,848,131	$1,220,627	$4,068,758	$4,139,962	2026	1
CIP-EP-6	16th Street Traffic Signal	G	U	D	$441,000	$189,000	$630,000	$641,025	2026	1
	TOTAL EAST PORT				$450,286,364	$37,404,191	**$487,690,555**	**$520,727,568**		

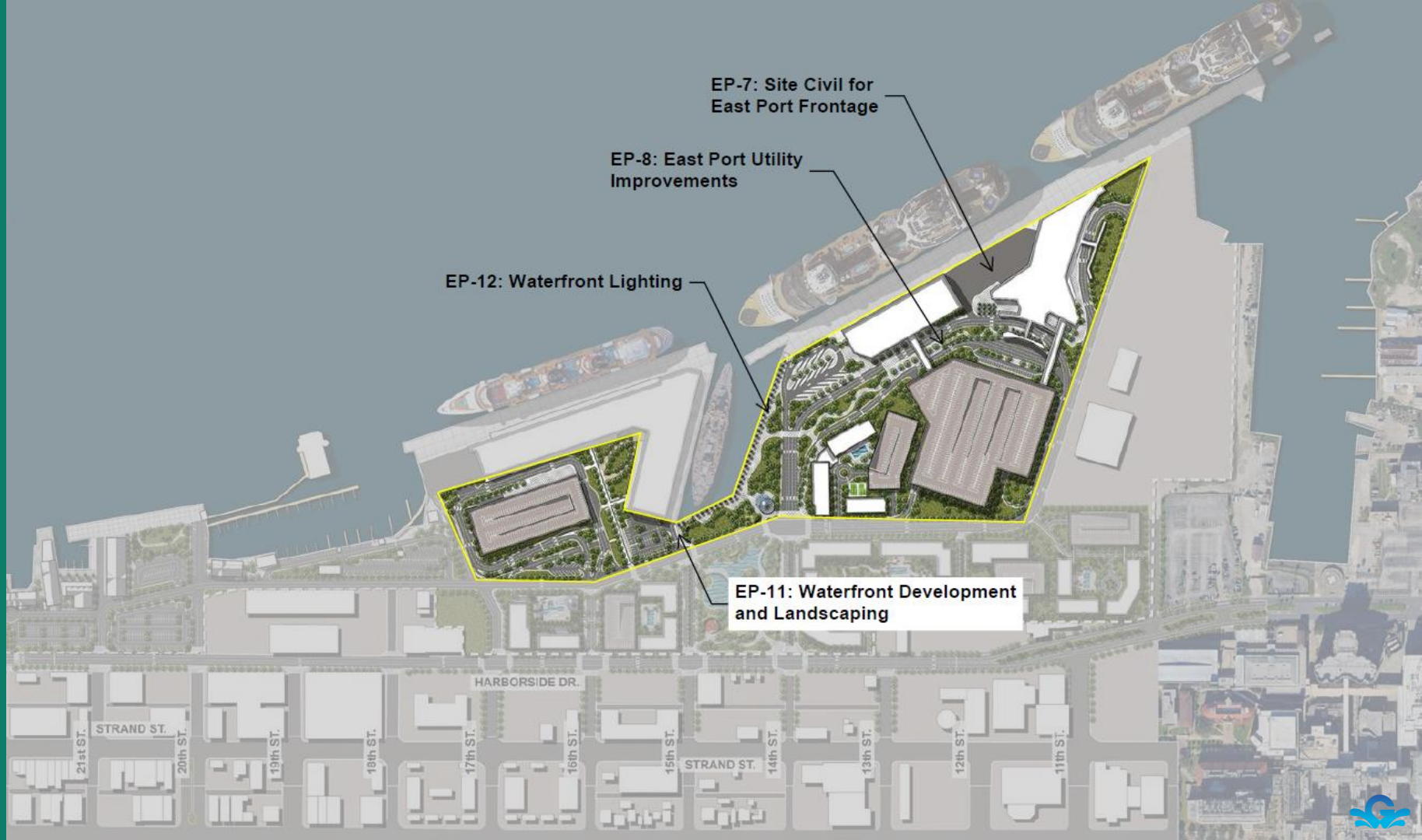
EAST PORT – PHASE 1 (2026-2030)



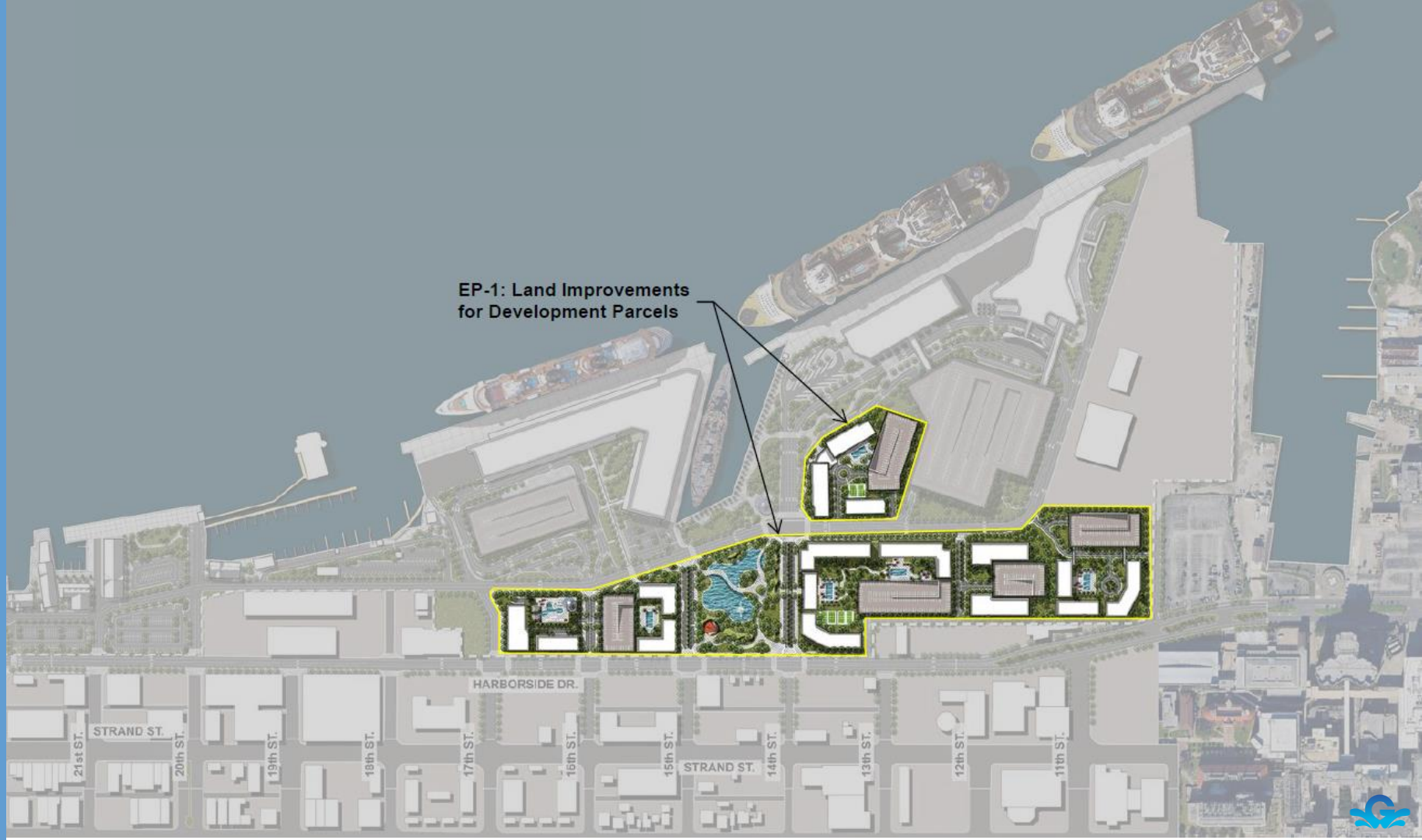
EAST PORT – PHASE 1 (2026-2030)



EAST PORT – PHASE 1 (2026-2030)

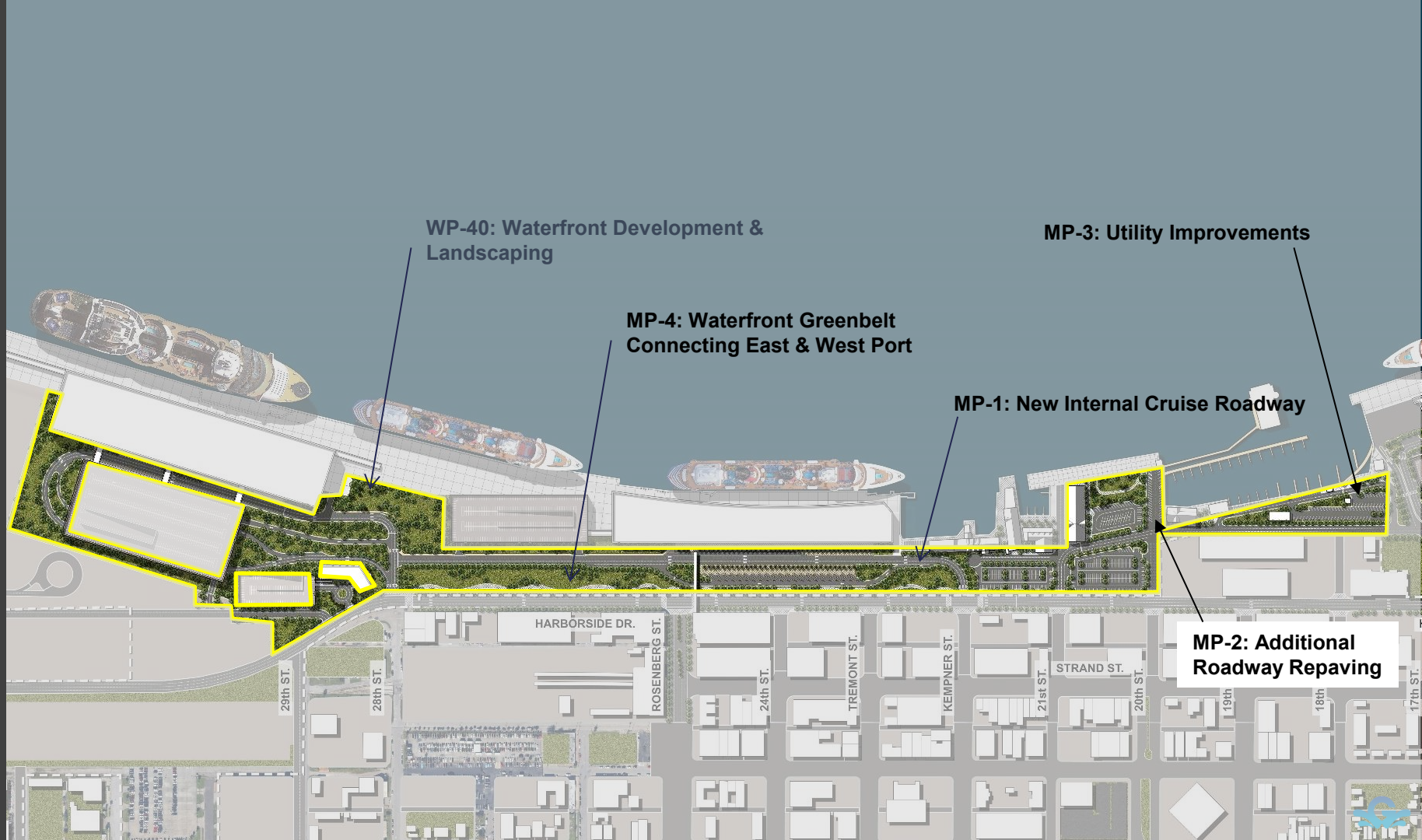


EAST PORT – PHASE 2 (2031-2035)



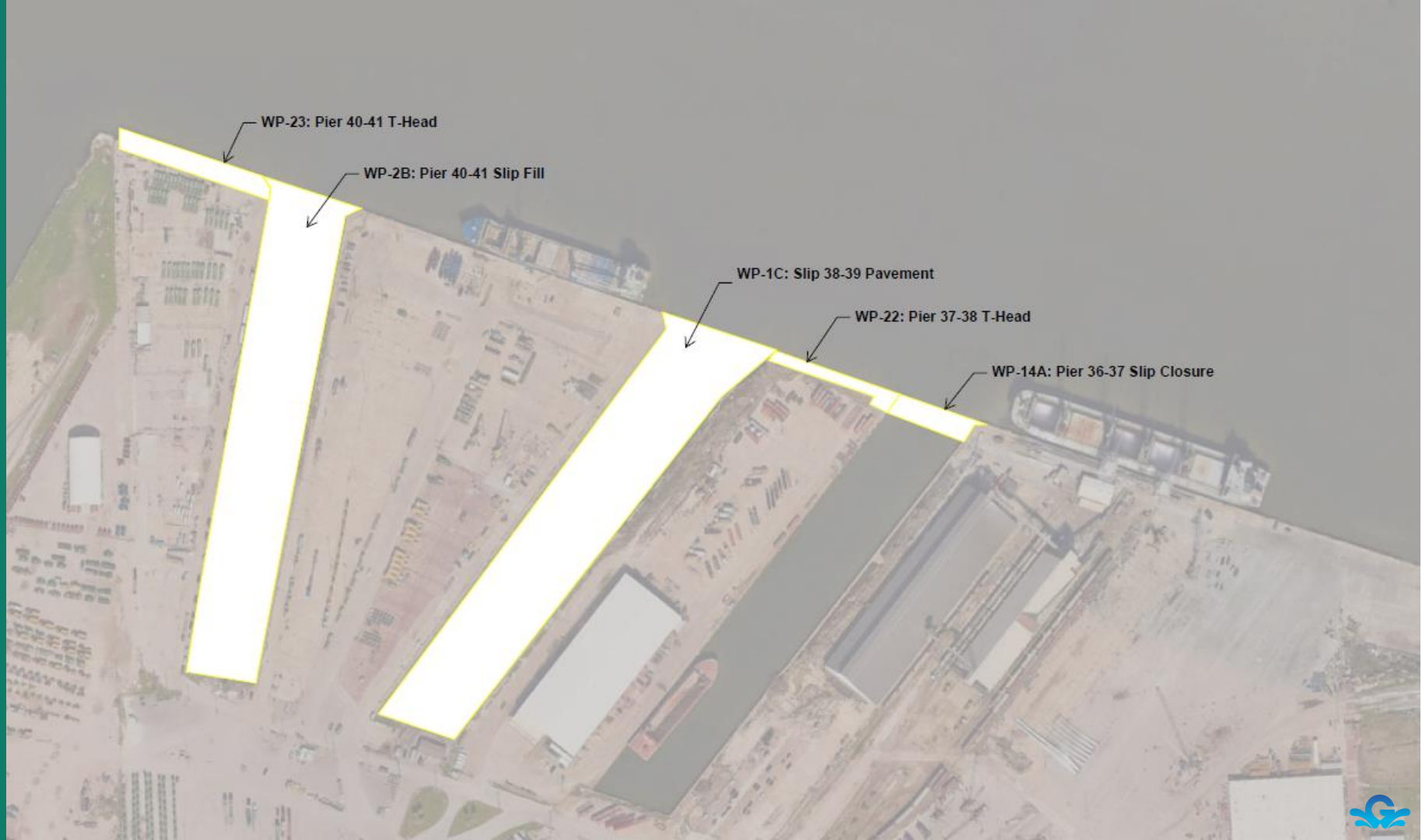
MID PORT										
ID	Description	Business Unit	Type	Funding	Hard Costs	Soft Costs	2026 Cost	Inflated cost	Start Year	Build Time
MP-MP-1	New Internal Cruise Road	G	S	G	$2,490,331	$187,243	$2,677,574	$3,461,523	2035	2
MP-MP-2	Additional roadway repaving	G	S	O	$1,256,330	$94,461	$1,350,791	$1,726,177	2035	1
MP-MP-3	Utility Improvements	G	U	O	$2,643,690	$198,774	$2,842,463	$4,109,713	2040	1
MP-MP-4	Waterfront greenbelt connecting east and west port	W	PA	T	$3,480,390	$261,683	$3,742,074	$5,473,403	2040	2
CIP-MP-1	Cruise Terminal Walkway Circulation improvements (SCP88)	G	B	G	$6,650,000	$2,850,000	$9,500,000	$9,666,250	2026	1
CIP-MP-2	SCP89 Wayfinding	G	S	G	$1,120,000	$480,000	$1,600,000	$1,642,350	2026	2
CIP-MP-3	CT28 Pier Repairs	CR	PI	O	$665,000	$285,000	$950,000	$966,625	2026	1
CIP-MP-4	CT28 PBB Replacement	CR	B	O	$5,670,000	$2,430,000	$8,100,000	$8,314,397	2026	2
CIP-MP-5	CT28 CBP Improvements	CR	B	O	$3,500,000	$1,500,000	$5,000,000	$5,260,652	2027	2
CIP-MP-6	Express Lot Completion	CR	P	O	$700,000	$300,000	$1,000,000	$1,017,500	2026	1
CIP-MP-7	Pier 27-28 Sheet Pile Replacement	CR	PI	G	$21,000,000	$9,000,000	$30,000,000	$32,353,012	2028	2
CIP-MP-8	Pier reclamation and connection (Between Pier 29- 30)	CA	PI	G	$4,550,000	$1,950,000	$6,500,000	$7,185,065	2029	2
CIP-MP-9	Rider 37 Wharf Road (20th-23th) Remaining Capital Balance	G	S	G	$1,713,456	$734,338	$2,447,794	$2,490,630	2026	1
CIP-MP-10	TXDOT Transportation Alternatives Improvements	G	S	G	$2,487,800	$1,066,200	$3,554,000	$3,739,272	2027	2
	TOTAL MID PORT				$57,926,996	$21,337,699	**$79,264,696**	**$87,406,568**		

MID PORT – PHASE 3 (2036-2045)

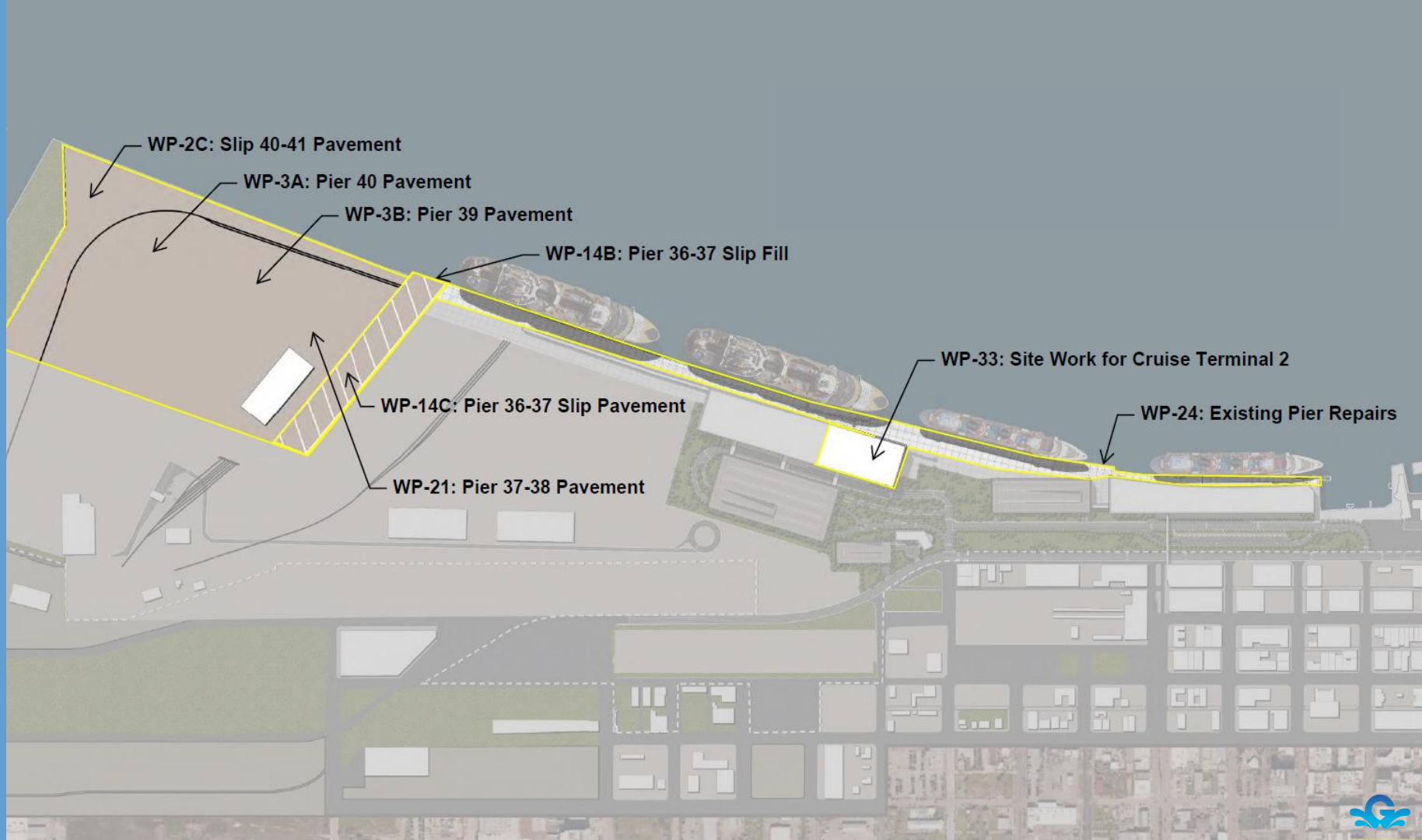


WEST PORT										
ID	Description	Business Unit	Type	Funding	Hard Costs	Soft Costs	2026 Cost	Inflated cost	Start Year	Build Time
MP-WP-1C	Slip 38-39 Pavement	CA	R	T	$8,128,000	$192,000	$8,320,000	$8,736,280	2027	1
MP-WP-2B	Pier 40-41 Fill	CA	R	T	$38,100,000	$900,000	$39,000,000	$41,451,673	2027	2
MP-WP-2C	Slip 40-41 Pavement	CA	R	T	$6,450,330	$152,370	$6,602,700	$7,466,144	2030	1
MP-WP-3A	Pier 40 Pavement	CA	S	G	$9,398,000	$222,000	$9,620,000	$11,428,721	2032	1
MP-WP-3B	Pier 39 Pavement	CA	S	G	$9,398,000	$222,000	$9,620,000	$11,714,439	2033	1
MP-WP-14A	Pier 36-37 Closure	CA	R	T	$14,144,897	$334,131	$14,479,029	$21,214,223	2040	2
MP-WP-14B	Pier 36-37 Fill	CA	R	T	$38,100,000	$900,000	$39,000,000	$60,034,382	2042	2
MP-WP-14C	Pier 36-37 Pavement	CA	R	T	$8,128,000	$192,000	$8,320,000	$12,969,057	2043	1
MP- WP-21	Pier 37-38 Pavement	CA	S	T	$8,128,000	$192,000	$8,320,000	$10,384,692	2034	1
MP- WP-22	Pier 37-38 T-Head	CA	R	G	$11,888,571	$3,566,571	$15,455,143	$16,302,296	2027	2
MP- WP-23	Pier 40-41T-Head	CA	PI	G	$15,434,286	$4,630,286	$20,064,571	$21,164,385	2027	2
MP-WP-24	Existing Pier repairs	CR	PI	O	$3,400,905	$252,985	$3,653,890	$4,175,158	2030	2
MP-WP-26	Cargo warehouses	CA	B	T	$56,658,000	$4,260,000	$60,918,000	$78,753,774	2035	2
MP-WP-27	Cargo yard improvements	CA	S	T	$37,139,571	$2,792,449	$39,932,020	$45,627,607	2030	2
MP-WP-28	Cargo yard utilities	CA	U	T	$12,059,402	$906,722	$12,966,124	$16,762,389	2035	2
MP-WP-29	Cargo yard buildings	CA	B	T	$4,256,000	$320,000	$4,576,000	$5,915,776	2035	2
MP-WP-30	Maritime port and office complex	G	B	D	$39,102,000	$2,940,000	$42,042,000	$48,038,538	2030	2
MP-WP-31	Turning basin No 2 dredging	G	DR	T	$6,120,926	$460,220	$6,581,146	$8,507,996	2035	2
MP-WP-32	Historic preservation of sunk vessel	G	S	O	$565,250	$42,500	$607,750	$694,435	2030	2
MP-WP-33	Site work for new T2	CR	S	D	$9,609,468	$722,516	$10,331,985	$11,805,657	2030	2
MP-WP-34	Replace Terminal 2	CR	T	D	$139,068,125	$10,456,250	$149,524,375	$179,500,697	2032	2
MP-WP-35	New parking garage 2	CR	P	D	$81,529,000	$6,130,000	$87,659,000	$105,232,686	2032	2
MP-WP-36	New Terrminal 6	CR	T	D	$119,118,125	$8,956,250	$128,074,375	$165,572,416	2035	2
MP-WP-37	New parking garage 6	CR	P	D	$61,579,000	$4,630,000	$66,209,000	$85,593,891	2035	2
MP-WP-38	New Terminal 7	CR	T	D	$119,118,125	$8,956,250	$128,074,375	$211,946,690	2045	2
MP-WP-39	New parking garage 7	CR	P	D	$61,579,000	$4,630,000	$66,209,000	$109,567,417	2045	2
MP-WP-40	Waterfront Development and Landscaping	W	PA	T	$18,723,203	$3,900,000	$22,623,203	$36,914,884	2045	1
CIP- WP- 1	Relocate Police Department	G	B	O	$2,551,500	$1,093,500	$3,645,000	$4,029,163	2029	2
CIP- WP- 2	Flex Berth 30-32 Upgrades (T6)	CR	PI	D	$17,180,100	$7,362,900	$24,543,000	$31,462,133	2035	2
CIP- WP- 3	Flex Berth 33-35 Upgrades (T7)	CR	PI	D	$22,680,000	$9,720,000	$32,400,000	$53,167,248	2045	2
CIP- WP- 4	Old Port Industrial 2 (33rd -41st) (SCP88)	CA	S	G	$5,280,178	$2,262,934	$7,543,112	$7,742,769	2026	2
CIP- WP- 5	Replace Watermain (CT28 - 33rd Street)	G	U	O	$525,000	$225,000	$750,000	$763,125	2026	1
CIP- WP- 6	Replace Watermain (33rd Street - 41st Street)	G	U	O	$1,750,000	$750,000	$2,500,000	$2,788,035	2029	3
CIP- WP- 7	CSJ 500--01-155 I-45 Direct Connect (Study)	G	S	G	$1,575,000	$675,000	$2,250,000	$2,309,555	2026	2
CIP- WP- 8	CSJ 0912-73-251 Access Improvements to Port (Study)	G	S	G	$525,000	$225,000	$750,000	$769,852	2026	2
CIP- WP- 9	WP12B Pier 30-34 Paving (ADM Site)	CA	S	O	$4,340,000	$1,860,000	$6,200,000	$6,581,155	2027	3
CIP- WP- 10	WP15 West Cargo Yard South of Wharf Road	CA	S	G	$5,880,000	$2,520,000	$8,400,000	$9,058,843	2028	2
CIP- WP- 11	WP20 Lot A to Cargo Yard	CA	S	T	$1,400,000	$600,000	$2,000,000	$2,266,059	2030	2
CIP- WP- 12	WP11 C&M Facility Relocation	CA	B	G	$7,000,000	$3,000,000	$10,000,000	$11,903,891	2032	2
CIP- WP- 13	WP1A/WP1B Pier 38 Slip Fill Balance	CA	R	O	$10,853,003	$4,651,287	$15,504,290	$15,775,615	2026	1
CIP- WP- 14	WP2A/WP8 Pier 39-41Improvements Balance	CA	PI	G	$5,955,261	$2,552,255	$8,507,516	$8,656,398	2026	1
CIP- WP- 15	Grain Elevator Balance	CA	S	O	$490,277	$210,119	$700,395	$712,652	2026	1
CIP- WP- 16	33rd Street Traffic Signal	G	U	G	$441,000	$189,000	$630,000	$657,051	2027	1
	TOTAL WEST PORT				$1,025,350,504	$109,756,495	**$1,135,106,999**	**$1,496,119,843**		

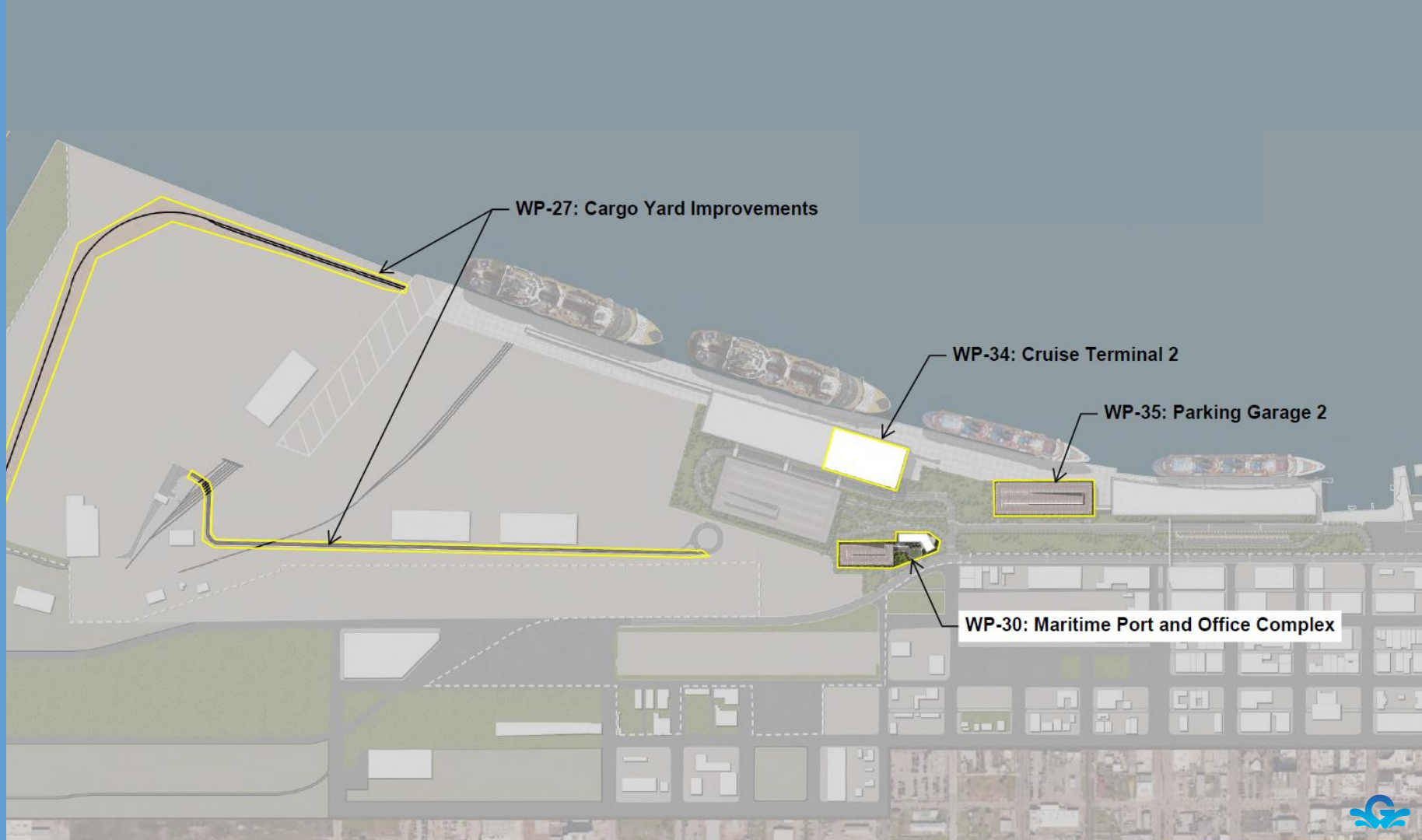
WEST PORT – PHASE 1 (2026-2030)



WEST PORT – PHASE 2 (2031-2035)



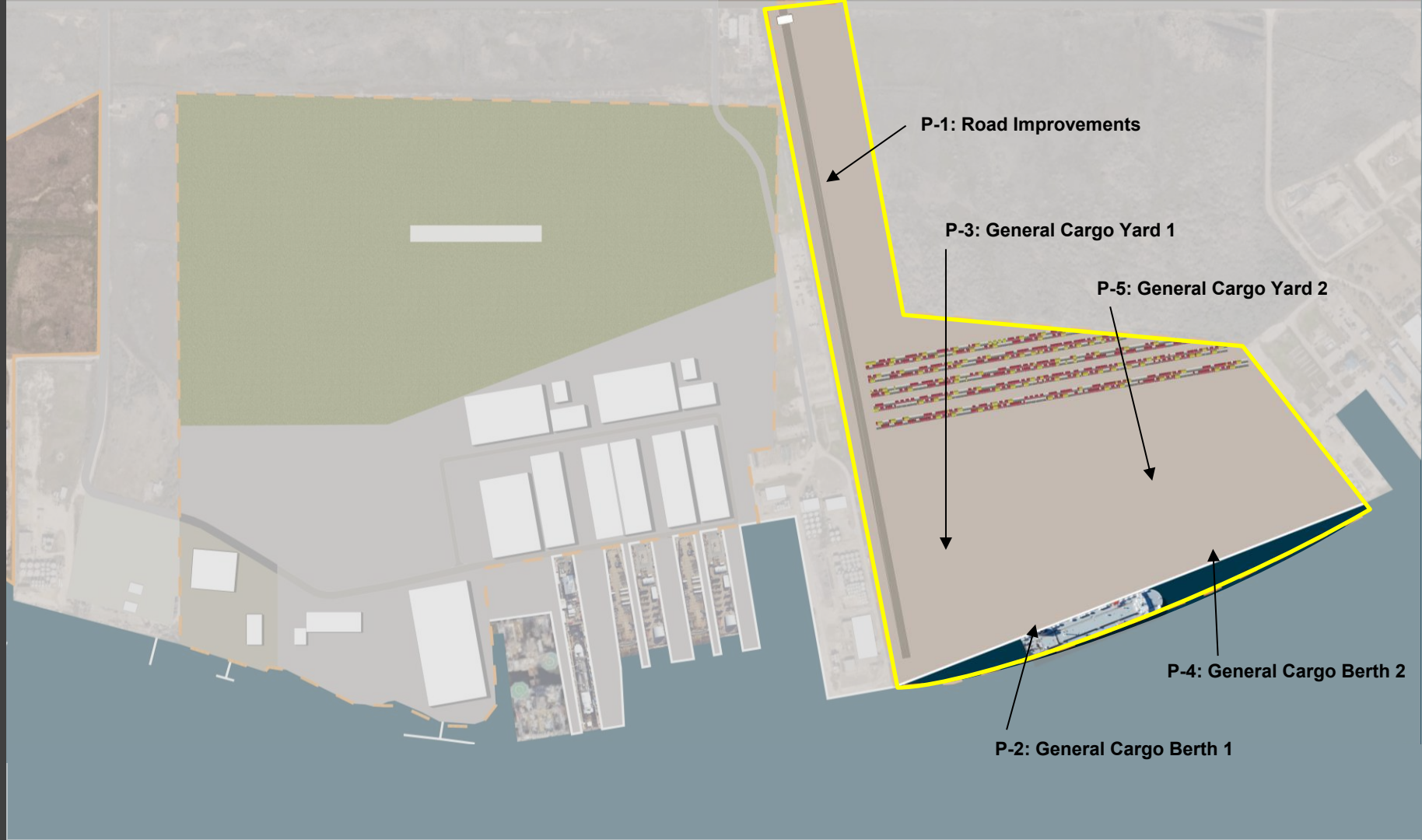
WEST PORT – PHASE 2 (2031-2035)



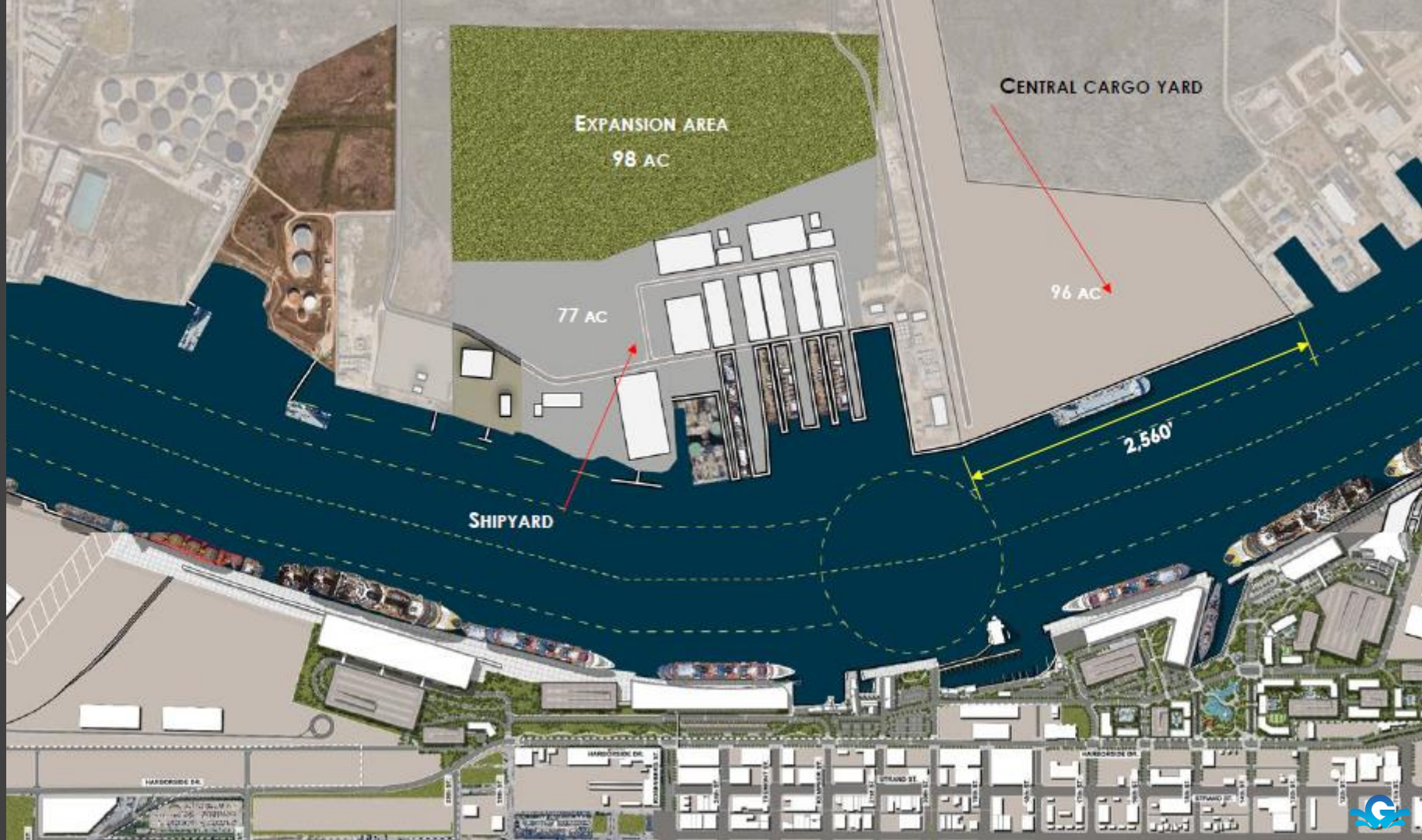
WEST PORT – PHASE 3 (2036-2045)

PELICAN ISLAND										
ID	**Description**	**Business Unit**	**Type**	**Funding**	**Hard Costs**	**Soft Costs**	**2026 Cost**	**Inflated cost**	**Start Year**	**Build Time**
MP-P-1	Road improvements to new cargo terminal	CA	S	G	$5,032,223	$378,363	$5,410,585	$6,182,308	2030	2
MP-P-2	New berth - General Cargo 1	CA	PI	G	$70,157,500	$5,275,000	$75,432,500	$97,517,878	2035	2
MP-P-3	New cargo yard 1	CA	S	G	$36,498,924	$2,744,280	$39,243,204	$50,732,960	2035	2
MP-P-4	New berth - General Cargo 2	CA	PI	T	$70,157,500	$5,275,000	$75,432,500	$124,831,128	2045	2
MP-P-5	New cargo yard 2	CA	S	T	$36,498,924	$2,744,280	$39,243,204	$64,942,477	2045	2
	TOTAL PELICAN ISLAND						**$234,761,993**	**$344,206,751**		

PELICAN ISLAND – PHASE 3 (2036-2045)



PELICAN ISLAND – PHASE 3 (2036-2045)



GALVESTON WHARVES

PORT OF GALVESTON
2045 MASTER PLAN