



WELL ON THE WAY TO MEETING ITS GROWTH PLANS CONTANDA TERMINALS

Contanda Terminals has recently announced a long-term lease agreement with the Port of Houston Authority for 339 acres of prime deep-water access property on the Houston Shipping Channel. The company has ambitious plans that will see the site developed into its largest facility. *Here President and CEO, G.R. (Jerry) Cardillo (below), talks exclusively to Tank News International's Emma Ardley-Batt about those plans.*



Jerry joined Contanda in April 2016 with the express purpose of growing the company both in terms of storage capacity and revenue, and he's certainly hit the ground running. The 30-year veteran of the industry, with 15 years spent at Chevron and Koch Industries and 15 years at Enterprise Products, started the process of focusing on potential growth projects within two months of joining Contanda.

"I was brought on board to facilitate change and drive growth and performance. The board felt there was potential for growth and wanted to expand the market Contanda to begin the growth process," Jerry said.

"We took a step back and looked at what we already had; 15 terminals around North America and a strong focus on food based products. We looked at North America and decided we wanted to grow in the energy sector. The Port of Houston was very active but had very few remaining tracks of land with deep-water access. It is very rare to find this site on the Houston Ship Channel as the low energy prices are driving growth in this space," Jerry added.

As well as the deep-water access, Contanda chose the site as it already had pipeline access as well as two rail tracks running through it. "The infrastructure is already in place," Jerry said.

The site offers a huge range of opportunity with regards to its development, but it may take up to 20 years to realise its full potential. The first stage of that development is to assess the land and understand its capabilities.

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The company has already started the permitting process and believes it may take 12 to 18 months to get everything in place before any ground breaking can take place.

Jerry said: "While going through the permitting phase we will work on the site's detailed design and then go out for tender. We expect to break ground during the second half of 2019."

The company expects to fund the development through a mix of cash and equity funding but is unable to share more details at the moment. "The cost depends on what we build," Jerry said. "We are unable to finalize the funding until we have our plans in place."

One thing that is certain is that once complete, the facility will be Contanda's largest site.

Jerry said: "Contanda currently employs 300 people at its 16 terminals.

We expect this new terminal to add an additional 60 to 80 permanent staff along with 500 to 800 more during the construction phase."

Jerry was able to reveal that the site will be capable of handling 40 ft draft vessels, have up to eight barge docks and five ship docks to handle Suez class vessel. It is also possible that the site will eventually hold 20 million barrels of storage capacity.

Jerry said the recent announcement that the Houston Ship Channel is to be widened was one of the factors considered when it came to securing the agreement with the port authority.

"When you are working on terminal development you look at several requirements with access

being one of the most prominent – the widened channel makes the site more attractive," Jerry said.

Contanda is not relying solely on its plans at Houston to meet its growth goals. Jerry revealed that the company's five-year development plans also take into account a number of its other facilities including Grays Harbour in Washington, Jacksonville in Florida, Port Allen in Louisiana and Stockton in California.

"We have a goal to double in size in terms of capacity," Jerry said. "And I believe we are well on the way to achieving that goal."

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